



# ***JPRS Report***

## **Telecommunications**

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# Telecommunications

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### **Agreement Signed Between Bahrain TV, BBC WSTV**

JN0511170091 Manama WAKH in English 1620 GMT  
5 Nov 91

[Excerpts] Manama, Nov 5 (GNA)—An agreement has been signed here today between Bahrain Television and BBC World Service Television [WSTV] Ltd., which will make the BBC's WSTV 24-hour news and information channel available in Bahrain and throughout the Gulf from 1 January 1992. As a prelude, an 18-hour a day service comes into operation on Friday 15th November 1991.

The agreement was signed by the Bahraini assistant information undersecretary for radio and T.V., Dr. Hala Ahmad al-'Umran and the BBC World Service Television Director of Sales Distribution Jeff Hazell.

Commenting on the agreement, Dr. Hala al-'Umran said, "Bahrain Television is delighted to have the opportunity to work with BBC World Service Television, which has the highest reputation throughout the world for its objectivity and accuracy and excellence in programming. We feel this new service will be welcomed by the people of the Arabian Gulf and all international visitors and expatriates living in the Gulf."

From his side Mr. Hazell said that the agreement facilitates the distribution of our channel, making it available to all TV set owners in Bahrain and around the Gulf since the satellite signal is to be redistributed terrestrially." [no opening quotation mark as received]

The new 24-hour service will also be seen in those neighbouring countries which can already receive Bahrain Television. Viewers in countries including Kuwait, the United Emirates, and parts of Iran and Saudi Arabia can join the ever increasing audience for the BBC's first ever 24-hour channel.

The agreement makes Bahrain Television the strategic partner for BBC World Service Television in the Gulf. The 5-year agreement, which [is] subject to annual review, is to be funded by advertising. [passage omitted]

BBC WSTV intends to achieve global coverage by 1993, adopting funding formulas and programme mixes to suit each region. [passage omitted]

### **Spain Lends Bolivia Millions for Telecommunications**

PY0711233691 La Paz PRESENCIA in Spanish  
17 Oct 91 p 6

[Summary] The Spanish Government has authorized the reimbursement of \$13.5 million for the National Telecommunications Enterprise. The loan will be used to expand the telecommunications system in 160 towns of Beni, Chuquisaca, Pando, Potosi, and Santa Cruz Departments. The loan is part of the \$100 million loan granted to Bolivia in 1990.

### **Cyprus Minister Returns From Indonesia**

TA1311121491 (Clandestine) Bayrak Radio in Turkish  
to Cyprus 1130 GMT 13 Nov 91

[Text] Mehmet Bayram, transportation, public housing, and tourism minister, returned home last night after attending the second Islamic countries communications ministers meeting in Indonesia. In a statement upon his arrival, Bayram said that during his visit he had the occasion to brief Indonesian officials on work being conducted in the Turkish Republic of Northern Cyprus [TRNC] in the fields of telecommunications and postal services. He added that he also held intensive contacts with other representatives with the aim of enlarging and improving the existing communications network between the TRNC and the Islamic countries.

Pointing out that he also exchanged views with the Turkish ambassadors to Indonesia and Singapore, Bayram concluded that his contacts were quite beneficial.

Bayram attended this conference in accordance with the decision of the Islamic countries meeting held in Istanbul some time ago.

### **German-Japanese ISDN Network Examined**

92WS0030X Duesseldorf VDI NACHRICHTEN  
in German 23 Aug 91 p 13

[Article by Markus Schnurpfeil: "Technical Inspectorate Tests Using the German-Japanese ISDN Connection"]

[Text] The Technical Inspectorate [TUV] of the Rhineland is a presence on international markets. For example, it has new branches in Asia, like its largest company clients. In the future, ISDN (integrated services digital network) will connect these foreign offices more tightly to the headquarters in Cologne. Primarily, however, the digital communications line will serve as the transmission medium for a completely new testing method.

The Technical Inspectorate of the Rhineland is blazing new territory in quality assurance with the Teletest project.

The Japanese market is as attractive as it is difficult to penetrate. The engineers of the Technical Inspectorate of the Rhineland know this from hard experience. The TUV headquarters in Cologne has maintained an office in the Japanese capitol of Tokyo for more than ten years. There are also branches in eight other Asian countries such as Korea, Taiwan, Hong Kong, and Indonesia.

Ralf Wilde is the managing director of the "TUV Rhineland Asia Group." He describes the main task of the TUV branch in Japan like this, "We support German companies in the Japanese market." The testing company from the Rhineland may issue approval symbols and quality-control approvals for the Japanese market. In fact, they offer this service with the blessing of the

Japanese ministries. "In this way, we can test the products of German manufacturers in many cases while they are still in Germany," says Wilde, explaining the special service.

In the other direction, German companies contract with the TUV engineers for the acceptance of Japanese products, sometimes for OEM (original equipment manufacturer) business. According to Wilde, "With the new product liability law and the European directives for the approaching EC domestic market, we see ourselves as an important interface. We serve between German manufacturers, vendors and consumers on the one hand, and Asian importers on the other."

The "TUV Rhineland Japan Ltd." now has about 600 clients in the land of the rising sun. Telecommunications using the ISDN digital communications network is making the services provided by the testing company even more attractive for most of these regular customers. Telecom Testing, or Teletest for short, is the name of this trend-setting method. The TUV engineers designed it with the support of the Tokyo office of the German Federal Post Office (DBP) Telekom. Says TUV manager Wilde, "Teletest makes testing possible directly from our branches into the laboratories of the manufacturers." The most important prerequisite for the concept is the Electronic Test Certificate, a special software module, and the ISDN network of the German companies and the INSnet 64 of the Japanese telecommunications companies.

Until now, the TUV test ran roughly according to the following pattern, for example, with a Japanese automobile manufacturer. In the beginning, the manufacturer and the tester discuss particular features of the test, usually over the telephone. Then, the TUV engineer travels to the customer to accept the equipment in question in the laboratory of the customer. Then the engineer prepares his report. Using a special part may require a TUV expert to fly in from Germany.

This is completely different using Teletest. The TUV tester and the client technicians check off the individual features of the Electronic Test Certificate, a type of digital checklist, in a remote conversation. In doing this, the laboratory personnel of the client handle most of the checklist by themselves. After finishing the test, the data—equipment descriptions and measured values—are transmitted to the control room of the TUV. The technical report can automatically incorporate these data.

In addition to the data flow, a display channel is connected. With this channel, the TUV tester can influence the current test. "The display channel is important for providing personal contact with the client and to control the course of the test precisely," explains Wilde. Willi Kappes is an ISDN specialist for the DBP Telekom. He played a major role in implementing Teletest. Noting the

good quality of image transmission in the digital communications network, he says, "The Japanese communications technicians have achieved impressive results. They connect several ISDN channels together providing high transmission rates. They can even transmit good-quality moving pictures on these channels."

Now, TUV testers and client technicians clarify any open questions on a picture-phone. According to Wilde, "If necessary, mobile video cameras make detailed pictures of the object under test. ISDN then carries these images." Simple personal computers connect to the cameras via a port. They serve as the communications terminals at both ends. As the Teletest project progresses, ISDN fax will transmit circuit diagrams and other documents.

ISDN communications are not limited to the development of TUV tests within Japan. According to Wilde, "It is also possible to set up an ISDN connection between the client's laboratory and the German testing agency for equipment safety. Or a connection between the TUV office in Tokyo and the headquarters in Cologne." With this, the expert need no longer fly to the Far East. Instead, he simply seats himself in front of the Teletest equipment. The international digital pathway usually runs via undersea cables. However, satellites also can serve as the medium.

"An ISDN connection costs about 360 German marks per hour," calculates the Telekom employee Kappes. This is a considerable savings compared to expensive travel costs.

In addition to cost reduction, the Teletest system has other advantages. The TUV engineer Wilde lists these. "Primarily, we can, of course, handle jobs much faster. In addition, the expansion of our range of services plays a decisive role." For example, it is possible to capture all test actions during ISDN communications onto image data media and to archive them.

In addition, the TUV Rhineland strategists are considering shifting some of their consulting services—primarily the actual testing—to image communication via ISDN. Wilde says, "We want to provide our clients with more effective support for new developments and changes using the new Teletest Advisor range of services."

The starting gun for Teletest will sound in September of this year. Then, the TUV people will run the first tests of digital communication between the headquarters in Cologne and the Tokyo branch. Next, in October, the Canon company, among others, will join the project as a significant TUV client. The system will link in eight other partners in the first half of next year. "After testing in Japan, we will introduce the Teletest procedure into the other Asian subsidiaries of TUV Rhineland," explains Wilde. He states it clearly, "Whatever works in Asia also can work to advantage in Germany."

### **Iraq Communications Team Back From Islamic Meeting**

*JN1211180891 Baghdad INA in Arabic 1542 GMT  
12 Nov 91*

[Excerpt] Baghdad, 12 Nov (INA)—A Transport and Communications Ministry delegation returned to Baghdad today after taking part in the second conference of Islamic communications ministers, which recently concluded in the Indonesian capital [as received] of Bandung.

Ghassan 'Abd-al-Razzaq, director of the State Enterprise for Communications and Post and head of the delegation, told INA that the participants in the conference approved a number of resolutions and recommendations to promote cooperation and solidarity among the member states in the fields of wire and radio communications, and postal services. The ministers also agreed to enhance coordination among the concerned states in the fields of advanced technology applications, training, and the exchange of technical expertise. [passage omitted]

### **Satellite Agreement Between Malaysia, U.S., France**

*BK1311074591 Kuala Lumpur BERNAMA in English  
0514 GMT 13 Nov 91*

[Text] Kuala Lumpur, Nov 13 (OANA-BERNAMA)—Malaysia signed a memorandum of understanding (MOU) with France and the United States Tuesday for the design, manufacture, launching and maintenance of its first satellite.

The project, estimated to cost US \$250 million, will be launched from Kourou in France in 1994.

Prime Minister Dr. Mahathir Mohamed said after witnessing the signing of the MOU in Langkawi that the event is a "great step forward" for Malaysia as well as for the East Asia telecommunications industry.

Local telecommunications company Binariang represented Malaysia while Arianespace signed for France, and Hughes, which will manufacture the satellite, signed for the United States.

Binariang Director Nordin Baharuddin said an agreement is expected to be finalised and signed in two months.

Under the MOU, the design and manufacture of the satellite will be based on Hughes' technology while the launching of the satellite will be handled by Arianespace. Binariang will send local staff to the two firms for training in the operational aspects.

Nordin said the satellite will change the course and scope of the telecommunications industry not only in Malaysia but also in the neighbouring countries.

Dr. Mahathir, also making the same point, said he is happy to see the Philippines involved as a user of the satellite.

The signing of the MOU was preceded by the signing of an agreement among the user group comprising Time Engineering, Philippines Long-Distance Telephone Co, Colorado-based Worldwide Sports and Entertainment, Uniphone Telecommunications, Communications and Satellite System Services, and Binariang.

Hughes Vice-President and Group President Steven D. Dorfman said Hughes is negotiating for two satellites under the final agreement instead of one.

### **Singapore Considers Helping Peru Develop Telecoms, Port**

*BK1311130791 Singapore THE STRAITS TIMES  
in English 13 Nov 91 p 40*

[Text] The Singapore Government has agreed to consider helping Peru develop its telecommunications and port facilities, said Peruvian President Alberto Fujimori at a press conference yesterday.

The possibility of Singapore helping Peru was raised at a meeting which he had with Prime Minister Goh Chok Tong yesterday afternoon.

Earlier at a luncheon organised by the Singapore Federation of Commerce and Industry, Mr. Fujimori said that the Peruvian Government will set up a business office here as one of its "immediate" tasks to intensify economic linkages between the two countries.

Calling himself a "President-Ambassador-Salesman," he said that the purpose of his visit to Asia was to "introduce the enormous potential for investment in Peru to this part of the world."

He said investment opportunities exist in tourism as well as in the oil, gas and mining industries where "huge reserves wait to be tapped."

Mr. Fujimori refuted the "negative image of Peru as a violent country," saying that "terrorist groups are a minority now rejected by an organized society."

As an indication of political stability, he said that around 98 percent of Peruvian entrepreneurs support his government's economic programmes. This is after one year of an economic austerity programme he initiated soon after taking office.

On infrastructural development, he said that the government will be investing about U.S.\$250 million (\$415 million) to improve roads and will be privatising the railway, airport and telecommunication services shortly.

Yesterday, the Peruvian delegation visited Singapore Telecom, the Stock Exchange of Singapore, and the Port of Singapore Authority.

In the evening, Mr. Fujimori delivered a keynote address on "Asia and the Promise of Peru: Extending the Pacific Rim" at a symposium organized by BUSINESS WEEK.

The Peruvian delegation leaves this morning for Kuala Lumpur.

### **Yeltsin Confirms Plan To Visit Seoul in Early 1992**

SK0511032591 Seoul THE KOREA HERALD  
in English 5 Nov 91 p 8

[Text] Russian President Boris Yeltsin has confirmed his plan to make his first visit to South Korea early next year in a telephone conversation with a South Korean businessman Friday night in St. Petersburg, formerly Lenin-grad.

The South Korean businessman who talked with Yeltsin was Chong Yong-mun, president of Samsung Electronics Co., one of South Korea's largest electronics manufacturers. The discussion was part of the programs to celebrate Samsung's dedication that day of a 2,000-line automatic electronic telephone-switching system in St. Petersburg which used TDX [time division exchange], Korea-developed advanced telephone-switching technology.

In the telephone conversation with Chong, Yeltsin was quoted by Samsung officials in Seoul as expressing deep appreciation to Samsung for helping the Soviet Union "modernize its telecommunication networks."

The first popularly elected Russian president went on to say that he hopes to discuss all these matters during his visit which he said is scheduled for early 1992, Samsung officials said.

The telephone conversation which lasted for about 15 minutes Friday (KST) was relayed through the Samsung's TDX switching system.

Samsung has won a \$4 billion contract to supply the TDX telephone-switching system with capacity for about 19 million circuits over the next 15 years. It amounts to about one-third of the 60 million-circuit telephone switching system which the Soviet Union plans to install during the period, Samsung officials said.

For the Soviet project, Samsung set up a joint venture Friday with ATE [Automatic Telephone Exchange], the Soviet Union's largest telecommunication system maker.

In the joint venture-launching ceremony in St. Petersburg, about 200 Soviet and South Korean dignitaries attended.

They include Kong No-myong, South Korean ambassador to the Soviet Union, V. Lukin, chairman of the Committee for Foreign Relations and Foreign Economic

relations of the Supreme Soviet and J.Y. Antipov, deputy chairman of the State Committee for Military Industrial Complex.

### **Novosibirsk, Sapporo Establish Television Link**

OW1311020191 Moscow Central Television First  
Program and Orbita Networks in Russian 1030 GMT  
8 Nov 91

[Video report by V. Tyabotin; from the "TV Inform" newscast]

[Text] The first satellite television link has coupled Novosibirsk with the Japanese city of Sapporo. [Video shows Russian and Japanese children mingling, a Japanese children's orchestra, a television control room staffed by a Russian and a Japanese producer, and a television studio with a Russian staff.]

[Begin recording] [Tyabotin] When fraternal relations were established between Novosibirsk and Sapporo a year ago, even the most optimistic predictions did not foresee that these ties would develop so intensely and swiftly. Today trips by mayoral delegations, representatives of business circles, scientists, athletes, artists, and students and teachers in exchanges, have become commonplace. No lecture hall can compare with television in terms of the size of the audience that can be reached. When Russians and Japanese work together, millions of people can learn of this first-hand from television. That is why, in view of the future, creation of a permanent, operational television channel in both Japan and Russia is of particular significance. [Video shows Tyabotin interviewing V.V. Kashkald, chairman of the Television and Radio Broadcasting Committee.]

[Kashkald] The link between the Japanese Television and Radio Company and the Novosibirsk Television and Radio Broadcasting Committee represents a new stage in collaboration. It is fitting that the first television link was devoted to students because both Novosibirsk and Sapporo are university towns. Sapporo, in fact is called the first vanguard of the 21st century. [Video shows a set filled with people taking part in the link program.]

[Tyabotin] Through the medium of television, young Japanese and young Siberians have taken further steps toward mutual understanding and trust without avoiding the very pointed questions about the events in our country and the problems of the Kuril Islands. Japanese and Siberian television viewers can look forward to meetings with farmers and businessmen, scientists and musicians. The satellite link opens up broad possibilities for this. [end recording]



**RSFSR Agreement With Belgian Telephone Company**

*PM0511113191 Moscow ROSSIYSKAYA GAZETA  
(First edition) in Russian 31 Oct 91 p 7*

[Unattributed article: "Plus Providing Telephone Service for Entire Country"]

[Text] The RSFSR [Russian Soviet Federated Socialist Republic] Ministry of Communications has reported that previously agreed accords have been confirmed between the Belgian firm Alcatel Bell and a number of republican enterprises and organizations on the joint production of S-12 electronic digital automatic telephone exchanges.

According to specialists' assessments, the new-generation Belgian exchanges with completely decentralized control are distinguished by their high degree of reliability and relative cheapness to produce. Here they venture the building of systems with a large throughput capability with a capacity of 100 subscriber lines each. In 1992 the exchanges will be bought in Belgium but within a year the Leningrad "Lenbell telephone" joint venture will start to produce them.

A protocol has been signed between the RSFSR Ministry of Communications and Alcatel Bell on the creation of a center for the study of information technologies on the basis of the Moscow communications institute. Every month up to 30 specialists will train here.

**MAURITIUS****New Meteorological Radar Installed**

92WT0027A Port Louis LE MAURICIEN in French  
4 Oct 91 p 1

[Article by J.M.P.: "Thanks to the Joint Help of Great Britain and France, a Weather Monitoring Radar Was Installed in Saint Brandon"]

[Text] A new weather monitoring radar was installed last week on Raphael Island, in Saint Brandon, thanks to the joint help of Great Britain and France.

The new radar, replacing the one that had already been on the island for many years, will be used to measure wind velocity at high altitude. It was offered to the Mauritian weather bureau by the British Government, as part of the World Meteorological Organization program.

The French Government was approached by the Mauritian Government concerning the transport of the radar to Saint Brandon. This was completed last 26 September

by the French ship La Grandiere. Five Mauritian technicians accompanied the equipment, which weighed a total of 500 kilograms.

The former radar was taken to Mauritius and handed over to the weather bureau.

**RWANDA****Information Day Held; Radio Transmitters Tested**

EA0911061091 Kigali Radiodiffusion Nationale de la Republique Rwandaise in French 0430 GMT 8 Nov 91

[Text] The 14th African Information Day was celebrated yesterday. Radio Rwanda used that occasion to launch the first technical tests of the second channel's transmitters. In the first phase, the second channel of Radio Rwanda will broadcast from 1600 to 2300 local [1400 to 2100 gmt] on 3330 khz in the 90 metre short-wave band and on 97.6 mHz and 99.3 mHz fm. The official inauguration and programming will take place as soon as the results of the technical tests are known. Meanwhile, the second channel of Radio Rwanda will primarily broadcast music.

### **New XINHUA Satellite Stations Begin Trial Operations**

*OW0611043691 Beijing XINHUA Domestic Service  
in Chinese 0857 GMT 5 Nov 91*

[Text]

#### **Public Notice**

The major satellite stations of our agency [XINHUA NEWS AGENCY] have been officially put into trial operation after being checked and accepted ahead of schedule. The work in connection with frequency changes will be as follows:

1. Subscribers please revise your frequencies from 6 to 12 November in accordance with the procedures in the manual (Small Satellite Receiving Stations' Frequency-Change Operations for Prefectural and City Newspapers), and begin directly receiving our agency's transmissions at original transmission times.
2. Trial transmissions on new frequencies will be conducted six times a day, each lasting 10 minutes. The times are as follows: 1000 [0200 GMT], 1030 [0230 GMT], 1100 [0300 GMT], 1530 [0730 GMT], 1600 [0800 GMT], and 1630 [0830 GMT].
3. All subscribers please notify our agency of reception of the transmissions received on the new frequencies by the end of November so that we can make arrangements for cessation of our transmissions on the old frequencies.
4. Telex address: 1631; contact telephone number: 3073410.

Postal and telecommunications code: 100803; contact unit: Information Office of the Technological Bureau

[Issued by] XINHUA News Agency's Technological Bureau

[Dated] 4 November 1991

### **Independent Radio Station To Broadcast Soon in Fujian**

*HK0611033891 Hong Kong TA KUNG PAO in Chinese  
28 Oct 91 p 4*

["Special dispatch" by staff reporter Yang Hsiao-yang [2799 1420 3152]: "China's First People-Run Radio Station To Start Broadcasting in Fuzhou Next Month"]

[Text] Fuzhou, 27 Oct—Under the leadership of its board of directors and after two years' preparations for organization, the first people-run radio station—China Huayi Radio Company—on the mainland was established a few days ago with the Radio and Television Ministry's approval and was scheduled to start broadcasting in Fuzhou on 1 November.

It was learned that Huayi Radio Company will carry on work under the Radio and Television Ministry's leadership. The honorary president of the board of directors is

Zuo Moye, vice president of Society of Radio and Television; and the chairman of the board of directors is Hu Hong, former chairman of Fujian Provincial Advisory Commission. The sources of the company's funds comprise the funds raised by the board of directors, proceeds from the radio station advertisement, and the support of groups of enterprises.

Huayi Radio Company will regard the Chinese people at home and abroad as the main targets and integrate entertainment with service. Its aim is to publicize patriotism, to carry forward national integrity and Chinese culture, and to embody the compatriots' feelings. Its broadcasts will: exerting efforts to disseminate the new outlook and new scene of Mainland China, reporting the long history of Chinese civilization and brilliant Chinese culture; and at the same time, providing the Chinese people at home and abroad with news, information, culture, entertainment, and service. The entertainment programs will make up some 60 percent of all programs. It was learned that Huayi Radio Company will have the following programs: "Huaguang Express," "News," "Huaguang Cultural Street" (Chinese cultural program), "Huaguang Concert Hall," "Huaguang Happy Garden," "Huaguang Service Desk," and so on. The programs are all independent units.

Huayi Radio Company will broadcast in Chinese language through six frequency channels, medium wave, short wave, and frequency modulation [FM] and can cover Southeast Asia, Europe, Hong Kong, Macao, and Taiwan. In addition to its people-run nature, another characteristic of Huayi Radio Company is the great broadcasting power and good results of FM stereo. The radio company is now the largest stereo FM station. In the beginning, Huayi Radio Company will broadcast eight hours a day from 1800 to 0200 hours the next morning.

A Huayi Radio Company responsible person declared that at the outset of broadcasting, as Huayi Radio Company has insufficient experience, it would earnestly welcome Chinese people at home and abroad to listen in, offer suggestions, and supply it with articles.

### **Modernization of Telecommunications Speeded Up**

*OW0711152291 Beijing XINHUA in English  
1125 GMT 7 Nov 91*

[Text] Wuhan, November 7 (XINHUA)—China is trying to speed up the modernization of its telecommunications facilities by introducing foreign capital and importing advanced technology.

According to a current national planning meeting on posts and telecommunications in Wuhan, capital of central China's Hubei Province, over the past five years, China has imported 3.06 million program-controlled telephone exchanges and microwave and satellite telecommunications equipment. The nation has also



imported a great number of world advanced telecommunications systems with loans of 1.2 billion U.S. dollars from 12 countries and international financial organizations.

China's posts and telecommunications industry was in such poor condition 10 years ago that it could only reach the international level of the 1950s and 1960s.

However, a spokesman for the meeting said the equipment of China's posts and telecommunications system has been improved greatly in a short span of years thanks to foreign capital and advanced technology.

According to the spokesman, a decision was made at the meeting for China to introduce more foreign capital and import more advanced technology for the development of the posts and telecommunication industry.

### **Government Builds Nationwide Radio, Television Network**

*OW1011173291 Beijing XINHUA in English  
1526 GMT 10 Nov 91*

[Text] Tianjin, November 10 (XINHUA)—China has built an extensive nationwide broadcasting and television network over the past 10 years.

Information concerning the extent of the network was disclosed at the on-going second conference of the Chinese Society of Radio and Television which is being held in Tianjin. According to reports, the country had 636 radio stations by the end of 1990, a five-fold increase over the 1980 number. In addition, the country now has 509 television stations, a 12.4-fold increase over 1980.

The network also has 19,500 ground satellite stations for receiving and relaying television programs to remote provinces and autonomous regions.

At present, the radio broadcasts can be received in over 70 percent of the villages in the country's vast rural areas.

Cable television programs, a relatively new service which appeared within the past years, are now received by over 10 million Chinese households.

At the same time, improved living standards have allowed an increasing number of Chinese to purchase radios and television sets. And, on average there are now 42.4 radios and 16.2 television sets per 100 people.

### **Latest Reports on Fiber-Optic Communications**

#### **Industrial Experimental Base To Be Built**

*92P60037A Beijing ZHONGGUO DIANZI BAO  
[CHINA ELECTRONICS NEWS] in Chinese 11 Sep 91  
p 1*

[Article by Ding Yanshen [0002 3601 3947]: "Beijing Optical Communications Co. Gets Permit To Assume

Construction of an Industrial Experimental Facility for Manufacture of Basic Materials for Optical Communications"]

[Summary] On 30 August, the Beijing Optical Communications Co. (BOCC) was formally granted a permit to undertake construction of an industrial-scale experimental base for manufacture of basic materials for optical communications. This project is part of Beijing Municipality's effort to implement the State Planning Commission's directive to build an "industrial experimental base for basic materials used in optical communications."

The base construction will be divided into three manufacturing areas: one for quartz optical-fiber outer tubing [i.e., extramural cladding], one for new fiber-optic cables, and one for large-aperture quartz tube. Annual capacity of the quartz-fiber outer tubing area, to be built at Beijing Plant 605, will be six tons, consisting of a three-ton-per-year industrial experimental production line to be complemented by another three-ton-per-year industrial production line incorporating advanced imported technologies such as plasma processing. Together with other plants and with local universities, Plant 605 engineers will develop and produce new types of fiber-optic cable. Also, at the Beijing Electric Wire Plant, BOCC will build a 3,000-km-potential industrial experimental facility for making new types of fiber-optic cable, including hetero-steel-wire superstrong bundle-tube-type cable, honeycomb-type bundle-tube cable, overhead grounded composite cable (OPGW), and all-plastic lightweight gopher-resistant cable. BOCC will also renovate the industrial experimental facility at Beijing Plant 605 to permit a 2.5-ton-per-year output of 220-mm-plus-diameter large-aperture quartz tubing.

Total investment for the entire project is 40.85 million yuan, of which local authorities and businesses will cover 22.60 million yuan, with the remaining 18.25 million yuan to be covered by the state. Completion and initial operation of the entire facility is set for 1995.

### **New Instruments Developed, Produced**

*92P60037B Beijing ZHONGGUO DIANZI BAO  
[CHINA ELECTRONICS NEWS] in Chinese 15 Sep 91  
p 3*

[Article by Sun Yushan [1327 3768 1472]: "Five Varieties of Fiber-Optic Communications Products Put Into Production"]

[Text] The China Communications Construction Corporation's Wuhan Posts and Telecommunications Engineering Instruments Plant recently developed five new varieties of fiber-optic communications products, and has put them into production. These five new products are: the OJF-1 optical-fiber ferrule hot splicer, the OPI-1 contrast instrument set, a fiber loss and far-field test instrument, an optical-fiber splicer, and a program-controlled fiber splicer set.

## REGIONAL AFFAIRS

### Radio Station To Air New Programs to Taiwan

*OW1211220991 Beijing XINHUA Domestic Service in Chinese 1136 GMT 12 Nov 91*

[Text] Beijing, 12 Nov (XINHUA)—The Central People's Broadcasting Station will start broadcasting new programs to Taiwan on 2 December, to accommodate growing cross-strait exchanges and satisfy new demands from Taiwan listeners.

Programming changes will primarily include substantially more news reporting, richer reporting substance, and more service-oriented reporting based on economic news. The entire programming will have more listening value. The new programs will combine regular and special broadcasts. The entire programming, which consists of two sets of programs on two separate channels, will stay on the air for 37 hours and 45 minutes daily, for the convenience of various grass-roots listeners in Taiwan.

### ABC To Help Vietnam, Cambodia Set Up Radios

*BK1011044891 Hong Kong AFP in English 0432 GMT 10 Nov 91*

[Article by Jack Taylor]

[Excerpt] Sydney, Nov 10 (AFP)—Used broadcasting equipment and expertise is being donated by the Australian Broadcasting Corp. (ABC) to Vietnam and Cambodia to help them set up modern radio services with built-in Western ethical standards.

The ABC says millions of dollars worth of equipment is likely to be on its way to Vietnam over the next three years accompanied by 20 to 40 ABC technicians, broadcasters and journalists who will work as instructors.

They also hope to move soon into Cambodia along with the United Nations peace-keeping force to help authorities with an essential ingredient of the country's transition to democracy—a free media independent of government influences.

"You can't have a democracy without a free press and you can't have a free press without appropriate standards of journalism, which we would hope to teach them," ABC Indochina project officer Marius Webb said in an interview Sunday.

He said two ABC officials would travel to Hanoi with an Australian trade mission next Saturday to discuss details of plans made during months of discussions here and in Vietnam.

The Australian Government, which funds the ABC, is expected to support the plan financially through its overseas aid program, although the extent of the support is not yet known.

The objective, Webb agreed, is to provide equipment, training and expertise to establish for Vietnam a complete, independent, professional and self-sustaining radio service.

Its cost over a three-year period will be three million to six million Australian dollars (2.3 million-4.7 million U.S. dollars). [passage omitted]

## INDONESIA

### TVRI To Launch Program 2 for Surabaya Region

*BK0811071691 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 8 Nov 91*

[Text] TVRI [Televisi Republik Indonesia] Director Ishadi says that Program 2 of TVRI Surabaya will not be an alternative program or will compete with the current TV programs. Commenting on the inauguration of Program 2 of TVRI Surabaya scheduled for 10 November, Ishadi said in Surabaya that Program 2 of TVRI Surabaya is intended to support private and government TV stations.

Ishadi is convinced that Program 2 will generate a special appeal although this special program is not intended to compete with the current TV programs. Program 2 of TVRI Surabaya will be on the air from 1800 to 2100 West Indonesian Standard Time [1100 to 1400 GMT] through Channel 26 UHF and the frequency of 511.25 megahertz, covering the Kertususila region made up of Kertosono, Tuban, Surabaya, Sidoarjo, and Lamongan.

### Debt Ceiling Delays Telephone Project

*BK0611111691 Jakarta THE JAKARTA POST in English 28 Oct 91 p 1*

[Text] Jakarta (JP)—The installation of 300,000 units of badly needed new telephone lines, mostly in Jakarta, have been postponed as the private contractors are unable to raise the necessary funds following the government's clampdown on offshore borrowings.

An official of P.T. Telekomunikasi Indonesia (Telkom) said the private companies, who were awarded the projects under a revenue sharing system, had informed the state telecommunication company that they were unable to implement them.

The 300,000 lines were part of the 2.1 million new lines targeted by the government for the current Fifth Five Year Plan (Repelita V), the Telkom's director for telecommunications development, Suratno, told a press conference here Saturday.

The government's decision to control the inflow of foreign borrowings was cited as the reason for the postponement, he said. He did not name the specific projects or the companies involved.

Telkom has thus far awarded phone installation projects covering 490,000 lines to 11 companies with total investments of more than Rp 1.1 trillion (U.S. \$500 million).

Including among the six private investors are units of the Bimantara and Bakri groups and Telkom itself.

The press conference was held in conjunction with the launching of Telkom's new logo. Also attending was the Director for Human Resources Development Dadad Kustiwa but President Cacuk Sudaryanto, who was originally expected to brief reporters, failed to turn up because of family matters, according to his aides.

The government decided this month to set an annual ceiling on Indonesia's offshore commercial loans of about U.S. \$5.6 to 6.5 billion in the coming five years and shelved four large projects worth \$9.8 billion this fiscal year to reduce pressures on its balance of payments.

"We are currently trying to include part of our own telecommunications projects to be established in the next five-year development plan into the current Repelita V period to replace the delayed projects," Suratno said.

He said that out of the target of 2.1 million new telephone lines, 593,000 had so far been installed, of which 180,000 lines were completed in 1989, 230,000 lines in 1990 and 183,000 in the first nine months of this year.

By the end of this year the installation of the new telephones was expected to reach 760,000 lines, he said, adding that another 700,000 lines would be installed next year in line with Telkom's improved capability and the remaining 700,000 in 1993.

Meanwhile, Dadad said that Telkom, which has changed its legal status from a service-oriented company into a limited liability as of Sept. 24, launched a new logo Saturday with the aim of creating a new corporate image, especially through improvement of the quality of services.

He said that the new logo, which was prepared by a local designer from the Bandung Institute of Technology at a cost of Rp 250 million (U.S. \$126,770), consisted of a dark and light blue circle depicting a modern telecommunications world.

Dadad said that the new logo showed that Telkom's activities covered not only national but also international telecommunications services.

## NORTH KOREA

### Seoul Broadcasting System Begins Transmission

*SK0711074091 Seoul YONHAP in English 0715 GMT 7 Nov 91*

[Text] Seoul, Nov 7 (OANA-YONHAP)—Seoul Broadcasting System [SBS] sent out its first signals from the Mt. Namsan transmission tower on channel six Thursday in a test.

SBS test-aired image, voice and caption services from 3 p.m.

The test permit allows SBS to transmit from one hour after KBS goes off the air until one hour before it resumes broadcasting. This will continue until the Kwanak relay transmission center, which relays KBS-1 TV broadcast over a further distance, changes its channel to avoid interference.

SBS will start broadcasting December 9.

## MALAYSIA

### TV Relay Station To Be Built in Lawah, Sarawak

*BK0611142691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 6 Nov 91*

[Text] A television relay station will be set up in Lawah, Sarawak at the end of next year to cater for 10,000 more people. Parliamentary Secretary to the Information Ministry Datuk Fauzi Abdul Rahman said a similar station set up in Mukah had benefitted about 70,000 people. He told the Dewan Rakyat [House of Representatives] today that about 90 percent of the population in Sarawak was now able to receive television programs and about 70 percent could receive VHF-AM radio programs.

## THAILAND

### Low-Orbit Satellite Project Taking Shape

*BK1111022791 Bangkok BANGKOK POST in English 11 Nov 91 p 17*

[Text] The United Communication Thailand Co. (UCOM), the major shareholder in Total Access Communications Co. (TAC), has signed a memorandum of understanding with Iridium Inc. of the United States to book a 5-percent share, worth about 1,000 million baht, in the 100-billion-baht Iridium low-orbit satellite project to be launched in 1995, UCOM chairman Bunchai Bencharongkun said at the weekend.

The MoU, signed on Friday in Bangkok, would make Thailand the telecommunications leader in this region. The Iridium project would launch 77 low-earth-orbit space vehicles.

The project would have polar orbit at 413 nautical miles and full earth coverage at the equator. It mainly would serve mobile telephones worldwide.

Mr Bunchai said UCOM would form the Iridium Thailand Co. to take over the Thai project and to seek telecommunications operators in Thailand to take part.

Shinawatra Computer and Communication Co. and Total Access Communication have been granted a 15-year concession from the Telephone Organisation of Thailand (TOT) and the Communications Authority of Thailand (CAT) to operate the 900 MHz and 800 MHz mobile telephones.

## TONGA

### Country Plans To Launch Communications Satellite

BK0611102191 Hong Kong AFP in English 0833 GMT  
6 Nov 91

[Article by Michael Field]

[Text] Wellington, Nov 6 (AFP)—The poverty stricken Kingdom of Tonga claims to have captured rights to several key Asia-Pacific orbiting slots and is planning to launch a satellite to compete in the world's communications market. Contracts for a satellite are to be let next year for a 1995 launch.

The vehicle for Tonga's entry into space is Friendly Islands Satellite Communications Limited or Tongasat, a Tongan-registered private company whose managing director, Matt Nilson, is based in Washington.

His activities go against the International Telecommunications Satellite Consortium (Intelsat), a cooperative group of governments operating four satellites, as Tonga has apparently violated the cooperative spirit governing distribution of satellite slots.

Tonga is among the poorest nations in the world, home to 100,000 people on a collection of scattered islands, 1,700 kilometres (1,050 miles) northeast of here.

Tongasat initially applied for 31 slots from the International Frequency Registration Board (IFRB) which decides allocations in the critical equatorial geostationary orbits, but was told to reduce that.

Nilson was quoted by the Matangi Tonga bimonthly magazine as saying that he had asked for that many to ensure Tongasat got what it really wanted.

Last week he told the South Pacific Conference (SPC) in the Tongan capital Nuku'alofa the IFRB had granted Tongasat six orbital positions "spanning over 150 geographical jurisdictions, from Europe to the West Coast of the United States, Canada and Mexico."

He said initial emphasis will be on a satellite parked over Kiribati at 170.75 degrees east, which would connect the United States with South East Asia.

"Financiers are ready to finance or capitalize the 500 million U.S. dollars required to launch the first generation of three sophisticated communications satellites" as soon as there are enough partners in an International Ownership Body (IOB), Nilson said.

"The signatories' profits will be substantial, as are the profits of signatories to the Intelsat system today," he added.

"All nations within the coverage area are invited to participate in the network, simply by allowing at least one entity to carry communications and TV in and out of each nation's territory on Tongasat satellites," he said.

Nilson told Matangi Tonga he expected Intelsat to object. "I know of a number of other small companies that have fought it out with Intelsat for years before they got their system in operation," he said.

A government official here familiar with Tongasat said the operation appeared genuine, but he warned, "The problem is not with the idea but with the fact that at an international level Tonga is seen as not playing the game."

The official believed the key problem with Tongasat would be raising the enormous amounts of cash needed for the satellite, ground stations and continuing operations. He said Tongasat had irritated the International Telecommunications Union (ITU) and that could later pose problems.

"It's one thing to make a success out of bucking the system, but if you want to make money you have to at some stage inter-connect with other telecommunication systems. And to do that you have to conform."

## VIETNAM

### Another Color TV Relay Station in Lam Dong

BK0711030691 Hanoi Voice of Vietnam Network  
in Vietnamese 1100 GMT 3 Nov 91

[Text] On 1 November in Da Te district of Lam Dong province, the Lam Dong radio and television station, together with the Da Te district people's committee, held a ceremony to inaugurate and put a color television relay station into operation.

With the inauguration of this station, Lam Dong has so far completed the expansion of the color television network to all of its 10 districts and cities.

**WESTERN SAMOA****New TV Service To Begin With New Zealand Help**

*BK0911040991 Hong Kong AFP in English 0243 GMT  
9 Nov 91*

[Text] Apia, Nov 8 (AFP)—Western Samoa will introduce its own television service on December 23 with help from Television New Zealand (TVNZ), Prime Minister Tofilau Eti Alesana said Friday.

He said TVNZ had been chosen because it already had interests in other Pacific countries, including Nauru, the Cook Islands and Niue, and that TVNZ made many Pacific-related programmes which were of relevance to Samoans.

The New Zealand Government-owned corporation made a big impact here last month when it set up giant screens in a park to provide closed circuit coverage of the rugby World Cup.

Parts of Western Samoa have for 30 years received television broadcasts from American Samoa's Government-owned KVZK-TV, which mostly plays recorded programmes from Californian stations.

Tofilau said TVNZ offered to set up the Samoan television service for 1.5 million New Zealand dollars (\$837,000 U.S.), the lowest of several bids. The Western Samoan Government will own the station but TVNZ will run it and provide programmes and technical assistance.

Tofilau said no decision had been made yet as to which standard to use. New Zealand uses the superior PAL system but most sets in Western Samoa use the American NTSC system, broadcast by KVZK-TV.

Broadcasting director Tupai Joe Brown estimates there are about 4,000 television sets here.



## CZECHOSLOVAKIA

### Foreign Bank Credit To Overhaul Telecommunications

*LD1411021891 Prague CSTK in English 2216 GMT 13 Nov 91*

[Text] Bratislava Nov 13 (CSTK)—Foreign banks will grant credits worth \$350 million to Czechoslovakia for the modernisation of its telecommunications system, Slovak Deputy Finance Minister Jozef Salak told CSTK today.

Today representatives of the International Bank for Reconstruction and Development (IBRD), the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (BERD) discussed with the Slovak Finance Ministry possible Slovak government guarantees for the credits.

As the credits are designed for the whole country, the banks are conducting talks primarily with the federal government and seeking its guarantees. Czechoslovak Finance Minister Vaclav Klaus has promised the guarantees but linked them to guarantees by the governments of Czechoslovakia's two constituent republics, Czech and Slovak.

Salak noted that bringing Czechoslovakia's telecommunications up to date is a prerequisite for the establishment of a modern banking system.

## HUNGARY

### TV Chief Reports on Satellite Broadcasting Plans

*LD0811104791 Budapest MTV Television Network in Hungarian 1830 GMT 6 Nov 91*

[Excerpts] [passage omitted] Parliament's press subcommittee heard the presidents of the radio and television comment on the preparation of the Radio and Television Law. [passage omitted]

Television President Elemer Hankiss indicated that sooner or later there will be a new president of Hungarian television, and he considers its structure and operating system to be conceivable in the form of both a joint-stock company [reszvenytarsasag] and a public-law foundation, although he favors the latter slightly.

He asked that the new law guarantee that it should be possible to fill up 15 percent of broadcasts, that is nine minutes per hour, with advertisements. At the same time, he would push sponsorship into the background.

He commented on the possibility of satellite television broadcasting from Hungary to central Europe. He expounded the plan that public service broadcasting could be carried on the second channel, in part by linking regional and local television.

After many questions on detail, it became clear that the subcommittee considers the Socialist Party's proposal to be worth studying. This would base radio and television on a strictly demarcated public-law foundation, transferring intellectual, moral, and social control to genuine social public ownership.

### Assembly Subcommittee Discusses Radio, TV Law

*LD0811103591 Budapest Kossuth Radio Network in Hungarian 1700 GMT 6 Nov 91*

[Text] Parliament's press subcommittee heard the presidents of radio and television today, since the Radio and Television Law which is in preparation was under discussion. Attila Herpai reports.

[Herpai] The president of Hungarian radio, as a matter of course, will resign from his position as president after the Radio and Television Law is adopted, Csaba Gombar announced. The president of the radio gave as the reason for his decision that he wishes to give the parties time to choose the new president and vice-presidents, and for coordination work.

Alongside all this, Csaba Gombar said that the transformation of radio is making no headway because the regulations governing its operation are still on the desk of the premier's office, while with the current structure, the radio is trying to produce something new. This, however, is virtually impossible. For this reason, it would be desirable if, as soon as possible—already next week—the premier's office accepted the new regulations.

According to the president of the radio, the parties and the media must prepare themselves for the possibility of no compromise being reached between the political forces regarding who are to be presidents and vice-presidents. Csaba Gombar said that one of the most important questions was whether radio's commercial broadcasts can continue. He added: Without these, radio would lose 200 million forints annually.

The president cautioned that there are institutional differences between the enterprises responsible for the frequencies and for the radio. He said: The enterprises responsible for program transmission and the management of frequencies are concerned about market profit, while radio is concerned about being able to keep the current frequencies. It needs this so that programs can reach every citizen.

The president of television, Elemer Hankiss, could conceive of the status of the national media in the form of a public law foundation [kozjogi alapitvany]. Their operation would be regulated by the founding document, alongside the framework law. According to Elemer Hankiss, this should be worked out before the presidents are appointed, and the new presidents should not be charged with it. Supervision would be carried out by a board of trustees.

Like Csaba Gombar, Elemer Hankiss also asked for time for the planned transformations.

### **MSZP Official Favors Public Control of Media**

*AU0911162791 Budapest NEPSZAVA in Hungarian  
6 Nov 91 p 5*

[Interview with Ferenc Kosa, Hungarian Socialist Party official, by D.D.; place and date not given: "The Only Way of a Sovereign Radio and Television Activity"]

[Text] The draft bill on mass media has been in preparation for almost one year. The Hungarian Socialist Party [MSZP] came up with an interesting proposal in the final phase of the draft preparation: The mass media should work in the form of a public service foundation. We asked Ferenc Kosa about this proposal.

[Kosa] Public radio and television services should be protected from any kind of monopolization. These services should also be protected against local government or foreign influences. State monopolization would be dangerous because it would deprive society from the right of exercising control over the public service television. Corporate monopolization would be dangerous from the viewpoint of our national sovereignty. Therefore, our proposal totally differs from the proposal of the governing parties for state ownership and the liberal parties' concepts of a free market stock corporation solution.

[D.D.] What if our mass media worked in the form of a public foundation?

[Kosa] A background law should first be established for the creation of such a foundation. The composition of the board in charge of this foundation should represent all levels of society. This body would be set up by delegates of society, parliamentary parties, and professional bodies. Thus, no economic or political force could monopolize the power of information.

[D.D.] Would there also be an executive council, supervisory committee, and radio and television office in the foundation, bodies that represent important issues in the current draft bill?

[Kosa] If the foundation and the public representation work according to strong and precise criteria, those other bodies would be insignificant. There would be an economic directorate in charge of solving economic tasks, and a trade directorate to carry out the commercial tasks. If they existed at all, the so-called radio and television office and other such bodies would no longer represent the political center. If we succeed in agreeing on the issue of national ownership, everything else will be easier to solve because this would completely exclude the possibility of abusing power.

[D.D.] Do you regard this proposal as utopian?

[Kosa] Perhaps this still appears to be a utopian proposal in Hungary today. I am well aware of the supervisory

system of the public service television in Western Europe, and there are similar examples working in Western countries. The essential thing is that the struggle for control of the media should finally stop.

[D.D.] If I am not wrong, the Alliance of Free Democrats [SZDSZ] has offered its experts to assist in the detailed formulation of your proposal.

[Kosa] That is true, and the Hungarian Democratic Forum [MDF] also signaled that they might be interested in this thing. The idea of public ownership and a public foundation is clearly socialism, thus, it does not surprise me at all if the leading parties are reluctant to receive this proposal. I am convinced that this is the future and can be the only way of securing media sovereignty.

### **Siemens, Telefongyar Joint Venture Analyzed**

*92WS0056X Budapest FIGYELO in Hungarian  
3 Oct 91 p 11*

[Article by Zoltan Meixner: "Tales of Kaufmann, the Dualism of Siemens"]

[Text] Siemens-Telefongyar Ltd. was formed on the first of September with a base capital of 2.5 billion forints. If the plans of the German electronics giant are realized, there soon may develop a high tech plant, still rare in our country, in the place of the late large state enterprise.

On the basis of its turnover, Siemens stands fifth in the list of the world's largest electronics industrial enterprises; it is third in the list of telecommunications firms. So it is no wonder that every tenth telephone subscriber in the world—in 93 countries—uses some sort of Siemens equipment for voice, data, text or picture transmission, among other things via the so-called ISDN [Integrated Services Digital Network] systems, which integrate all the accomplishments of telecommunications technology, including mobile cellular telephone networks. According to the plans, the giant enterprise will manufacture in Hungary also the flexible EWSD electronic switching systems which can work as smaller rural exchanges as well as in giant urban centrals and which can serve as a basis for the above mentioned ISDN networks.

"Previously the biggest problem in Hungary in the transmission technology and switching technology industry was that large capacities, completely parallel to one another, were in operation. Everyone made and sold everything. Then, due to the change in political climate, the COCOM prescriptions eased, import was liberalized as well, and Hungarian needs increasingly approached the world level. As a result, the domestic market quickly, if not entirely unexpectedly, collapsed, as did the CEMA market, for different reasons. Then the Westerners discovered that Hungary could no longer play the role of bridge between East and West, because it was no more difficult to reach the Eastern markets from Germany, let us say, than it was from here. It also became clear that there was no hope of building a Japanese or American

bridgehead, because the world market for this branch of industry was not at all liberalized. As a result non-European firms could hardly prosper in Europe. From this one could already suspect that if the Telefongyar [Telephone Factory] wanted to survive it would have to find a professional partner among the largest world firms, prospering even over the long term, which would be inclined to encourage local manufacture, which had capital strength, and which was European as well. The selection was not very large," said Dr Gabor Beke-Martos, director general.

Other circumstances also motivated the marriage of Siemens and the Telefongyar. It was clear to the German firm that it needed a local producing enterprise to conquer the Hungarian market. (Incidentally, Siemens already had a mixed enterprise in Hungary, Siscontact.) Since long cooperation tied it to the Telefongyar the selection was obvious. Especially because in addition to (or despite of?) the economic difficulties of the Telefongyar, it had amassed significant production experience and expertise in switching and transmission technology. And there were reasons rooted in tradition, for the Hungarian enterprise was founded in 1876, and this could have a very good effect on the market together with the 1847 founding date for Siemens. Obviously the decision to found the firm was strengthened by the fact that the joint entry of Siemens and the Telefongyar in the tender put out for the development of telecommunications took second place. That is, in principle, for five years, two undertakings will supply switching technology equipment to the Hungarian manufacturers of telecommunications systems, and one of these will be Siemens-Telefongyar Ltd.

"The past year, during which the founding discussions took place, was sufficient for Siemens to survey the strengths and weaknesses of the enterprise, participate in preparation of the tender bid, prepare in principle the position of the new firm in the Siemens empire and help to work out an appropriate privatization proposal," as the director general described the events of the recent past. But the transformation of the Telefongyar began somewhat earlier. New leaders took over the enterprise in January 1990, people whose primary task was to manage the crisis. At that time it was obvious that the operability of the enterprise could not be maintained without a swift structural transformation, which in turn could not be imagined without a privatization of the firm. At that time 4,200 people worked in the Telefongyar at various sites. Of these they closed the Kiskoros factory in September 1990 and, along with this, they decreased personnel by 15 percent that year. By the end of the year the new management had prepared a transformation concept, which naturally took into consideration also the presumed needs of Siemens. One of the most important of these was that the new enterprise should operate only in Budapest. As a result the Nagykata plant was made independent—today it is an independent state enterprise—and the Satoraljujhely plant was transferred to another enterprise which is

capable of giving work to the workers there. The plant in Bugyi was closed and the site sold. By the end of the slimming down the Telefongyar had 1,200 employees. And this is how many will work at the newly founded corporation.

The planned increase in base capital at the old-new undertaking, with a base capital of 2.5 billion forints, and the purchase of shares resulted in a majority share for Siemens. "We must build a Siemens factory here on the Telefongyar foundations," said Gabor Beke-Martos. Naturally this also means that the organization had to be transformed according to the requirements of the German multinational. First of all there had to be a break with the typical solutions in socialist large industry where research and development take place in an enterprise organization which works in a holding fashion and technological development is done entirely isolated from production, which hindered real and effective product development, which is so important in this branch of industry. In other words, the production processes were entirely subordinated to economic considerations while the production and technical units were subordinated to the economic bureaucracy of the enterprise.

"We broke the omnipotence of the economic administration. That it was the way it was earlier is no wonder, for then, when the plan fundamentally influenced the profitability of enterprises, the role of these units was overvalued unrealistically. Just as much as it was undervalued in, let us say, the 1950's," the director general explained. As a result, the Siemens model used at the corporation today brings the two sides into balance so that they operate within the frameworks of a market economy. A completely dual organization works here today in which every single leader—whether in sales, production or marketing—has his own so-called "kaufmann" (we have not yet found a Hungarian word for this position) who is responsible for the economicalness of the given activity. Both decide, and decide together, about how to solve a given task. At the top the "kaufmann's" have their director as do, for example, those in sales. "There are four of us in the directorate. In addition to me there are the 'kaufmann' director, the technical director, and a leader responsible for sales, who is also one of the directors of Siemens Ltd. (Budapest). At this level also the decisions are made jointly," the director general explained.

In addition, today, there is usually a Hungarian-Austrian pair working at every level. But the leadership of Siemens would like it if within a foreseeable time Hungarian experts were to take over most of the functions. In general the leaders of the earlier organizational units are old experts of the Telefongyar, while Siemens' own people have been assigned to the new tasks and to reforming the old. In the past two years the leadership staff at the Telefongyar had been fundamentally changed anyway. The top leadership is entirely new, and more than half of the department chiefs are also new. "Today



the earlier seven level decision system has only three levels, and we finally put an end to the situation where a person could fill a main department chief position at the Telefongyar with only an eighth grade education. But since both Siemens and the Telefongyar are (or were) large organizations, and thus had many unregulated contacts, we had to see to it that the weak links dropped out. In plain language, we had to find responsible people for responsible positions. But since the cuts were very drastic and since we also got a number of experts from our Austrian partner, we did not have to seek outsiders for the posts becoming vacant. Anyway, we had experts who were not being 'exploited' enough. The insiders could be compared with one another, and it was not too difficult to select new leaders," Gabor Beke-Martos explained.

Very concrete tasks have been proposed for Siemens-Telefongyar Ltd., until it becomes an undertaking which meets the Siemens standard. (In any case, producing enterprises of the division of the German multinational which deal with telecommunications technology are working in more than 40 countries.) The Hungarian plant must participate in adaptation of Siemens equipment for use in Hungary. The new technology must be adapted to the already functioning systems—often very obsolete. This means that for a time yet the old technology and the really peak technology will be forced to live together in communications technology (in this case in regard to switching and transmission technology). Naturally there may be other special Hungarian requirements as well to which the Siemens equipment will have to be adapted. Within and beyond the borders of telecommunications there will have to be software developments, naturally suiting Hungarian needs, among others for foreign orders.

Very significant retraining and further training programs will have to be carried out if the expert staff of the corporation is to be made suitable for carrying out these tasks. Some of the developmental experts have already finished the first Siemens study courses. Next will be intensive language training. As they say at the firm, it is no longer enough to know kitchen German, nor is it enough to know technical German, one must learn to speak "Siemens." Communication difficulties could fundamentally slow the Siemenization of the undertaking, make difficult the activity of the Siemens advisers, product development might not progress fast enough, and so forth. Which, of course, could lead to an inability to increase effectiveness, and if they remain expensive and if they are not better than the competition in regard to the technical level, then they will not be able to increase their share of the Hungarian market. Because now this latter is what is basically expected of them. In any event the leaders of the undertaking are confident, which is quite understandable with a powerful multinational firm behind them.

## POLAND

### Postal, Telecommunications Services Separate

92EP0055B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 8 Oct 91 p III

[Article by Wieslawa Mazur: "Before a Divorce From Telecommunications: The Postal Service Is Asking for Alimony"]

[Text] The postal service is agreeing to a divorce from telecommunications. There is no other way anyway. The Law on Communications which was adopted by the Sejm on 23 December 1990 and took effect on 16 January of this year, ordains that, effective 1 January 1992, the PPTT [Polish Posts, Telegraphs, and Telephones] will split, spinning off "two independent economic entities: the Polish Postal Service, a public service enterprise, and Polish Telecommunications Incorporated," which in the beginning will be a single-person partnership of the State Treasury.

Therefore, at present the PPTT may discuss at the most, the terms on which this separation will occur. Deputy PPTT General Director Kazimierz Demski, who supervises the postal service and transportation, agreed that "technological processes both in the post office and in telecommunications have gone so far that continuing the marriage makes no sense, and this is a worldwide trend." On this occasion, he recalled that the enterprise was created during the Second Republic, and that telecommunications emerged, after all, within the framework of the postal service.

### The Condition of Waiting

However, postal employees do not deny that these origins do not influence the opinion of customers who are unhappy with the enterprise whose operation primarily connotes lines and waiting around for a letter carrier who shows up much less frequently than he should. In the PPTT, they try to attribute this to the fact that the postal service is being impoverished. In their opinion, the standard of services is considerably higher in rural areas "where the condition of waiting for customers prevails" than in large urban communities where personnel problems must be addressed. The people are not eager to work in the post office despite unemployment. A girl from a postal window in Warsaw explained, "[the land] is not going to flow with honey for this kind of money; it is impossible."

In the first half of this year, the deficit of the postal service came to 220 billion zlotys [Z]. The post office increased rates in September. However, they informed us at the PPTT that the enterprise has only been trying to keep up with growing costs unsuccessfully; this is why the quality of services has not changed after the raises either "because this was not the object of these raises." In addition, it turned out that customers frequently not only fail to let the postal personnel make money when they use postal services but even cause losses. By sending

small amounts through the post office, we not only fail to generate profits for the PPTT but we would have also brought about the certain demise of this respectable enterprise had it not been for the money it makes off those who operate with millions.

#### Unprofitable Small Transactions

If we look at details, studies made by the postal service in 1990 indicated that the payment of Z98,000 at the postal window constitutes the threshold above which the fee collected (much higher than at a bank) offsets costs. Small payments prevail in the structure of payments made at the post offices, unlike those made at the banks. Collecting 0.5 percent of 10 million is a completely different undertaking compared to collecting the same 0.5 percent of Z1,000.

The enterprise has lost and continues to lose money on delivering letters and packages. If it resolved to, for example, cover the actual costs of delivering out-of-town letters they would cost Z2,500 rather than Z1,500 (they informed us at the PPTT that they will not so resolve). Only in this case would the postal service turn a small profit. However, in the opinion of postal specialists, rate increases accomplish nothing because in this case "the volume of services comes a cropper," specific costs go up, and so on, and so forth.

In keeping with a provision of the law, the postal service is a public service enterprise. This means that it does not have a right to pick and choose, and it cannot refuse to provide its services, unlike its competitors appearing in the market who are making a vigorous entry. Private operators deliver packages within 48 hours; the postal service, in theory, must deliver them within 72 hours. Private operators are faster and more efficient, but there is nothing they have to do. They may select an area for themselves and "skim the cream." The PPTT has 25,000 "delivery regions with varying difficulty and access characteristics." The state operators reach clients by cars, mopeds, and bicycles, and until recently, they went to the clients on horseback. This is an expensive and unprofitable service.

#### Fears of High Seas

The postal service pays horrible rents for about 500,000 square meters of space which it leases (from 40,000 to as much as Z120,000 per square meter). It received no funds for development this year. Postal employees have justified apprehensions as to what will happen next on the eve of going to the high seas of independence. The number of postal offices is dropping. Quite recently, there were 8,200 of them; there are 7,900 now. The company, which will soon be "on its own," does not want to go to the budget hat in hand. They are thinking

vigorously about ways to avoid this. They say that in the future, the postal service will be able to cope without subsidies. They recall at the enterprise that they have not always been poor beggars: Between 1975 and 1990, they gave \$180 million for the development of other sectors, mainly for the needs of the tele-electronics and telecommunications industries.

Going back to self-financing, the postal specialists maintained that it is realistic. Despite failing to give us a specific prescription, they maintained that they would like to follow the example of our German neighbors who split the enterprise up into three parts: a postal bank, telecommunications, and the postal service, establishing through legislation that the postal service will continue to receive financing from telecommunications which is to be phased out by 1994, and later will resolutely switch to its own coffers. However, this will not happen overnight. The postal service will have time to develop techniques for standing on its own feet while using "the phased-out alimony" received from telecommunications.

At the PPTT, they argue that the Law on Communications should specify in more detail the systemic "position of postal operations in the forthcoming period of transition; unfortunately, there is a gap in it." The expected deficit of the postal service amounts to between 200 and Z300 billion, i.e., it is a drop in the bucket of the needs of telecommunications which come to \$12 billion. The "phased-out" amount transferred by telecommunications to the postal system could be a tax write-off for the former.

The postal specialists believe that there is nothing to prevent telecommunications from meeting the requirements of the World Bank even given the "phased-out alimony." As is known, the bank required that telecommunications separate out their own economic account in order to make it clear what the financial performance of telecommunications is and how the loans granted are being invested.

For now, the postal system is in need of money in order to survive and maintain the paltry status of assets to date—one office per 4,500 inhabitants.

#### Pirate TV Station Broadcasting Via Satellite

*LD0411193891 Warsaw TVP Television Network  
in Polish 1830 GMT 4 Nov 91*

[No video available]

[Text] A television station, "Morze" [The Sea], has been on the air in Szczecin for three days.

The chairman of the Municipal Council and one of the Szczecin deputy mayors were among the guests in an inaugural program. In spite of being invited, the Szczecin

voivoda as well as other representatives of local authorities failed to turn up at the studio. The fact of the matter is that the new station has been broadcasting without permission and even in spite of a clear ban by the Ministry of Communications.

Simply speaking this is a pirate station which has taken over a free channel and almost round the clock is relaying satellite programs—because this is the cheapest way—superimposing on them its own commercials. The station has also been encouraging and inviting some commercials.

The order on the air is guarded by the State Radiotelecommunications Agency [Panstwowa Agencja Radiotelekomunikacyjna]. Its Szczecin representative handed the television pirates a note banning further activity but they took no notice of that. They have appealed against this decision, and the legal procedure may take some time, but in the meantime they will be able to earn a lot.

## ROMANIA

### Stolojan, U.S. Official Discuss Audiovisual Issues

*AU1411085491 Bucharest ROMPRES in English  
1457 GMT 13 Nov 91*

[Text] Bucharest ROMPRES 13/11/1991—The role and importance of mass media, of radio and television in particular, in the preparation and course of the elections due in Romania was the major topic approached during an interview on November 13 between Romanian Prime Minister Theodor Stolojan and David Webster, president of the US non-governmental organization "Transatlantic Dialogue for the European Audiovisual," who is paying a visit to Romania. During the interview, consultations were also held on the draft law of the audiovisual, which is to be discussed and endorsed by Romania's Parliament until the end of the year.

The interview was attended by Adrian Dohotaru, under-secretary of state in the Foreign Ministry of Romania.

## BRAZIL

### Rio Grande do Sul Media To Have Access to ABR

*PY1211004491 Brasilia Voz do Brasil Network  
in Portuguese 2100 GMT 11 Nov 91*

[Text] Beginning on 10 December, AGENCIA BRASIL [ABR] will begin a pioneer project to provide its product to some 240 radio and television stations and 60 newspapers, all of them in Rio Grande do Sul State.

RADIOBRAS is thus complying with the orders of Presidency Press Secretary Claudio Humberto Rosa e Silva, who attended the Rio Grande do Sul Radio and Television Association congress in Canela, Rio Grande do Sul State. At the congress, Rosa e Silva promised to implement the mechanisms necessary for improving government communications. ABR will now be available Rio Grande do Sul media in a swift, professional manner. By 1992, the project will have been extended to the other Brazilian states.

## CUBA

### National Bank Joins Telecommunications System

*FL0711231891 Havana Radio Reloj Network  
in Spanish 2040 GMT 7 Nov 91*

[Text] It was announced during a news conference in Havana that Cuban-made software has enabled our country to join the (Swift) International Banking Telecommunications System. The initiative, by specialists at the National Bank of Cuba, has made it possible to overcome the impediments imposed by U.S. firms to block the acquisition of new software for accessing a banking information system of intercommunication and exchange, which includes 3,000 other entities throughout the world. This and other Cuban developments in the sector will be demonstrated during the 20th Meeting on Systematization of American and Ibero Central Banks, which is to be held at the Convention Center from 18 to 22 November.

Esteban Martell, assistant vice president of the National Bank of Cuba and president of the meeting, said that managers, information systems security chiefs, and marketing directors, among others, will attend.

## JAMAICA

### New Television Station To Begin Operations

*FL0811193891 Bridgetown CANA in English  
1916 GMT 8 Nov 91*

[Text] Kingston, Jamaica, Nov 8, CANA—Jamaica's long-awaited second television station, CVM TV, now seems set to go on the air on March 1, next year. CVM TV which will compete with the publicly owned, 29-year-old Jamaica Broadcasting Corporation (JBC),

received its operating license in March and was originally scheduled to begin operations this year.

The directors of the new station told a news conference Wednesday that the delay resulted from the rapid devaluation of the Jamaican dollar which pushed start-up costs far higher than was originally anticipated. They declined to give the total cost but said equipment described as "the most state of the art in the Caribbean" would cost US\$2.6 million dollars.

Lennie Little-Whyte, a director with special responsibilities for programming said the station would seek to achieve "50 percent local and Caribbean programming" with the rest coming from other countries. He said every effort would be made to gain access to productions from other Caribbean territories and to share local productions with the rest of the region.

Board Chairman Russell Graham said the station would work closely with local "programme production houses to earn foreign exchange" by exporting programmes. Managing Director Abe Dabdoub, praised JBC for its assistance to CVM TV and said both stations had agreed to share transmission towers.

CVM TV will begin by providing programmes for eight to nine hours per day. It will initially cover the south eastern end of the island including Kingston, before extending island wide in succeeding months. It will be located on Constant Spring Road in uptown Kingston.

Investors behind the setting up of the new station include Community TV, Video Max, Media Mix, Lee Enterprises, Serv-Wel, D.B. Holdings, Island Life Insurance Co, Abe Dabdoub and Russell Graham Investments Ltd.

## PERU

### Telephone Rates Increase 30 Percent

*PY0711213091 Lima EL COMERCIO in Spanish  
1 Nov 91 p A1*

[Summary] The Communication Rates Regulating Commission has issued a resolution by which telephone rates throughout the country are increased an average of 30 percent as of 1 November. Telephone rates were last adjusted on 6 September. The resolution was published in the official newspaper EL PERUANO yesterday.

## VENEZUELA

### CANTV Concession Contract Amendments Discussed

*PA0811214291 Caracas Venezolana de Television  
Network in Spanish 0000 GMT 5 Nov 91*

[Unattributed article including interview with Fernando Matinez, National Telephone Company of Venezuela president; place and date not given]

[Text] Among the modifications made to the CANTV [National Telephone Company of Venezuela] concession contract, Clause 23 establishes that the Venezuelan Government reserves the right to intervene in the event telephone service is ever put at risk.

At a joint news conference held by the Investment Fund and Transport and Communications ministers and the CANTV president, they discussed modification clauses to the concession contract. These clauses will also be discussed by the National Congress on 11 November. The idea is to rationalize the original privatization objectives and to promote an open and competitive service.

For example, at no time should the economic balance clause be construed as an income guarantee for international investment companies. These companies in turn cannot abandon their responsibility to the country in case the business fails to turn a profit. On the contrary, the contract specifies that the concessionaires would have to indemnify the nation.

Another basic change sought in these modifications is Clause 53, which determines that the same tariffs, quality, and opportunities will be provided. All of those who seek the service will receive it because one of the ideas is to do away with the CANTV monopoly and democratize the service.

The media will be able to gain direct access to satellite services and be allowed to use their own signal carrier systems.

[Begin recording] [CANTV President Fernando Martinez M.] We believe that these changes serve to better safeguard the country's interests.

[Reporter] Where does the international concessionaires' responsibility toward the Venezuelan Government start and end?

[Martinez] This contract in no way guarantees the concessionaires' profit. We want to guarantee service regularity and continuity. [end recording]

## Public Phone System in Disrepair

### Inoperable Phones Common

92WT0010A Caracas EL DIARIO DE CARACAS  
in Spanish 15 Sep 91 p 8

[Article by Olgalinda Pimentel and Gloria Majella Bascidas]

[Text] Public telephones rank second among CANTV [National Telephone Company of Venezuela] priorities, this despite the fact that there are 2 million names on the waiting list for private lines in Caracas. Venezuela has more public telephones per 1,000 inhabitants than Great Britain, Colombia, Denmark, and Spain, meaning that the problem is quality rather than quantity.

Pay telephones, considered internationally as the telecommunications "plum" due to the enormous profits to be made, receive scant attention from CANTV, as a result of which service is inefficient. The figures are eloquent: One out of every two public telephones in the country is out of order. This situation is particularly critical when one considers the unsatisfied demand for private lines, totaling 2 million in Caracas alone.

Due to the shortage of lines, without even mentioning other reasons, pay telephones should be a real alternative for users, but such is not the case. Not only does the government lose money for every telephone out of service, but the fact that the utility continues to operate while doing nothing about it is rather paradoxical at a time when Marshall McLuhan's words are more meaningful than ever: "The medium is the message."

In general, as Antonio Pascuali points out in his book "Abridged Communication" [La comunicacion cerceada], the number of telephones per person in a country "mirrors" its degree of development, in a sense. "Continuing this line of ideas, for example, the telephone is vital, television trash, and the telephone/television ratio is a finely-tuned indicator of the substantive level achieved by a country. Wealthier nations always have more homes with telephones than television sets and developing countries more television sets than telephones," Pascuali says.

In the specific case of pay phones, their importance is such that many developed countries, while meeting their demand for private lines, have a satisfactory ratio of public telephones per person. A report drafted by Siemens shows that by 1990, the United States had 6.97 public telephones for every 1,000 inhabitants; Canada, 6.3; Japan, 6.73; Italy, 7.59; and Sweden, a telecommunications leader, 9.45.

At the same time, the same report shows, Venezuela had 1.64 public telephones for every 1,000 inhabitants, ahead of Great Britain (1.59), Colombia (1), Denmark (1.24), and Spain (1.05). In other words, the inefficiency of the service was apparently not caused by the number of "phones" that we have (31536 [as published] nationally), but rather, underuse.

Why is the public telephone service inefficient? The answer is a long story. The first coin phones were installed in 1955, but only in Caracas and only in commercial establishments. When they were damaged, establishment owners reported the fact to CANTV operations centers. The first model used was the Ericson, which took .25 bolivar coins.

The second model installed (1957-1958) was the Automatic Electric, also found in businesses. In the 1960's, the company acquired the third model (black), used for urban calls as the previous two had been. In 1968 and 1969, CANTV began installing coin-operated phones in public booths. When the National Direct Dialing system was introduced, another type of public telephone was also introduced for urban calls and obviously, calls to the



interior. Since 1967, large numbers of coin-operated phones have been installed, particularly in Caracas.

Starting in 1975, CANTV introduced the coin-operated phone centers. By that time, the company had begun to use the Japanese Tamura, which gradually replaced previous models. In 1984, the International Direct Dialing pay phone was introduced, but it was abandoned when calling cards began to be used. At the present time, the Venezuelan market has card phones, coin-operated phones, leased phones (red) and, very recently, phones that accept both coins and cards (combined).

The "biography" of public telephones shows how the service has gradually become more complex. From telephones designed exclusively for local calls and installed only in businesses, we have moved to card phones scattered throughout the country, Venezuela's means of contact with the outside world. (According to Pascuali, 1 out of every 11 persons in the world is "connected" by phone.)

Although pay phones continued to spread, they remained in second place within CANTV's organizational framework, one well-informed source reports. For the company, the source adds, residential and commercial telephones receive priority, since those registering complaints are readily identifiable: "It is a historic fact here that pay phones are not repaired because private subscribers carry more weight in statistics. 'Pay phones can just wait,' repairmen always say."

Those complaining about public phones are anonymous and because they are anonymous, no one pays any attention. So true is this fact that this service always comes under a department within the company. It has no managerial status, meaning it remains far-removed from decision-making on a higher level. The same source adds that in many cases, higher levels of management at CANTV do not even hear about problems besetting the service, given the existing "lack of communication"!

However, in addition to or precisely because of this fact, there is a whole set of difficulties that conspire against efficiency of the service. One reliable report notes, for example, that the Department of Public Pay Phones does not have the total support of other agencies in performing its functions (delays in repairing defects in cables, shortage of branch lines). It is also said that there are problems with the supply of spare parts and a lack of maintenance tools.

Another problem explaining the inefficiency of the service is the poor supervision of public telephones. Only 10,000 of the country's instruments are monitored by automated means. Furthermore, even though these telephones are so monitored, they often remain out of order for some time. One report states that in July, for example, the average number of days that pay phones in the system were out of order was 6.59.

The same report indicates that in July as well, 28 percent of the country's automated phones (nationally) were out of service. One would have to add the "black" figures yielded by telephones excluded from automation, figures that will definitely be higher if, of every 100 telephones in the system, 28 are not operating, not to mention those not monitored by computer.

In addition to poor supervision, the source adds, the companies entrusted with the task of collecting: Venarab and Pan American Service, are not doing their job, which in turn has an effect on the incidence of public telephones out of service. If the process does not work, the coin boxes fill up and the phones simply stop working!

Pay phones register the highest number of calls per line. Even though they are a plum, as we said, CANTV has not taken a liking to them! Consequently, because it does not understand it has such a "boon" on its hands, the company loses millions annually.

#### [Box, p 8]

#### Tour of Caracas

Field inspections conducted by the reporters demonstrated the public telephone situation in a number of areas of Caracas. Of the 272 phones "checked," 140 were out of service, while 132 worked.

From Sabana Grande to Chacaito (downtown area), 41 of the 54 telephones worked and 13 were out of order. In the Tamanaco Commercial City Center (commercial tourist area [CCCT]), of the 19 phones counted, 7 were out of service and 12 worked.

In Colinas de Bello Monte (Avenida Leonardo Da Vinci, Calle Garcilazo, Avenida Miguel Angel, and the main avenue), 18 of the 35 phones worked and 17 were out of service. At the University Clinical Hospital (health care area), 20 of the 25 telephones were not working and only five were in operating order.

In Paseo Las Mercedes (commercial tourist area like the CCCT), two of the five phones were out of service and three worked. On the corner of Pajaritos (industrial area where Congress and other agencies are located), only one of the two phones worked. On Avenida Baralt (offices of the Directorate of Identification and Alien Affairs, DIEX), 11 of the 14 phones were out of order and three worked. On Avenida Universidad (banking area), 11 of the 15 phones worked and four were out of service.

On Avenida Urdaneta (industrial-commercial area), 15 of the 22 phones were out of service and seven worked. In Petare (low residential area), of the 48 telephones counted, 32 were out of service and 16 worked. The upper residential area was not included because users there have other options, such as cellular phones.

Public Telephones			
By Region	Pay Phones	Card Phones	Leasing
Central	1,500	1,750	2,740
Los Llanos-Center	1,750	2,200	2,819
Western Center	2,400	2,500	2,687
Los Andes	2,600	3,100	3,374
Eastern	3,100	3,500	3,914
Northwestern	3,100	3,400	4,198
Capital	8,800	9,700	11,804
National Total	23,254	3,135	5,147

### Phone Company Forfeiting Millions

92WT0010B Caracas EL DIARIO DE CARACAS  
in Spanish 16 Sep 91 p 10

[Article by Olgalinda Pimentel and Gloria Majella Bastidas]

[Text] CANTV [National Telephone Company of Venezuela] is losing some 750 million bolivars a year because half of the country's public telephones are out of order. The company has obviously failed to take advantage of this telecommunications "plum," the term used internationally to denote public telephones because of the huge profit potential.

On the average, a public pay phone (TPM) brings in about 110 bolivars daily. If the entire country has a total of 23,254 pay phones, then daily losses from those out of order amount to 1,278,970 bolivars, while annual losses total 460,429,200.

A public card phone (TPT) brings in an average of 500 bolivars daily. If there are 3,135 such phones nationally and half are "down," then losses total 783,500 bolivars a day and 282.06 million a year.

Since pay phones record the largest number of calls per line, the service should be given top priority in CANTV's overall planning.

One well-informed source reports that one of the factors resulting in a lack of attention to the service is the policy of continuous administrative and management changes within the company: "Such rotation prevents high officials with decision-making power from perceiving the real flaws of the public telephone system. They cannot understand the problem because they do not evaluate it or realize how serious it is. When they finally do see it, they are rotated from their posts.

"Consequently," the source adds, "there is continuing ignorance on the part of presidents, board members, national management, executives, and superintendents, which is the utility's true problem. The real problem is one of logistics, maintenance, organization, supervision, and a lack of support.

"For example, the logistical problem has been underestimated by all of the company's presidents. Every administration that has come along has concerned itself with many things, but never figured out how to solve the problem of logistics. What we have had are stopgap, patchwork solutions," the source says.

### Collections

The result is that the government fails to take in money because the pay phones are out of service, because the people, thinking the phones are bad, stop using them, or because there are problems with collection. The latter is the subject of a reliable report which concludes that, in view of the fact that the collection companies fail to do their work, many "instruments" have defects.

At the main pay phone centers, collection is done by VENARAB and, at the smaller centers, by Pan American Services. These companies charge 80 bolivars for every telephone. Both have contracts with CANTV, but although the company is required to supervise them, it does not do so!

The collection process begins when collection company personnel appear at the CANTV pay phone operational unit to be given lists and a supply of empty coin boxes to be exchanged for full ones. The coin boxes are issued sealed to ensure that they are not opened.

Following the list, the collection company does its route (Sabana Grande, for example), proceeding phone by phone, removing the full coin box, installing the empty one, and entering the number of the seal on the list.

The seals are numbered with a disposable plastic padlock that comes with each box. When the box is removed from the phone, the opening is automatically sealed to protect the money.

The new coin box is issued closed and opens only when installed in the phone. When it is taken out full of money, the seal automatically "fires," completing the cycle.

Coin boxes collected on each route are taken to a counting center where they are opened in the presence of a witness from the CANTV auditing department and a public pay phone inspector. Every coin box is identified, the figures entered, and all money from the route is counted with the aid of high-speed machines.

The money is placed in bags (1,000 bolivars each) and deposited at the bank. The collection company is responsible for making the collection and must present deposit slips to CANTV.

Even though the collection system is "supervised" by CANTV officials, fraud is not disregarded. It is widespread in the public telephone system. No one knows how much the government loses.

One of the factors contributing to the critical condition of public telephones is vandalism, which is not

CANTV's responsibility. Nor are there figures showing how many phones are out of service as a result of it.

Not only the public telephone service is in crisis; private phones are as well. In Caracas alone, as stated in the previous report, 2 million are on the waiting list for phones.

In the midst of such declining prestige, CANTV is turning to privatization, which has supporters and opponents. Bids will be opened on 31 October. Two consortiums have submitted theirs so far: one headed by Bell Atlantic International and Bell Canada and the other by GTE and AT&T.

By virtue of the profit potential of the telephone service in general, we should ascertain whether or not the privatization option is the right one, especially when one considers that the field of telecommunications is a kind of "invisible gold."

**Collection Figures  
In Bolivares  
(Regional, July 1991)**

Region	Total Collection	Public Telephone Earnings
Eastern	18,858,200.75	6,336,760.00
Capital	18,485,717.25	2,092,090.00
Los Andes	12,809,453.25	4,972.61
Western Center	10,412,563.00	4,493,980.00
Los Llanos Center	6,767,546.25	3,508.32
Northwestern	6,217,446.75	2,067,660.00
Central	3,920,261.50	2,430.42
National Total	77,471,190.75	3,331.52

**Total Collected January to July  
In Bolivares**

Eastern	121,359,130.50
Capital	124,032,390.50
Los Andes	84,266,005.00
Western Center	64,624,800.25
Los Llanos Center	45,096,104.25
Northwestern	38,284,287.75
Central	27,037,713.75
Total	504,700,432.00

**Several Factors Responsible**

92WT0010C Caracas EL DIARIO DE CARACAS  
in Spanish 18 Sep 91 p 7

[Article by Gloria Majella Bastidas]

[Text] Miguel Sisco, head of public telephones for CANTV [National Telephone Company of Venezuela], recognizes that the department he heads has serious

deficiencies. Rather than denying the fact, Sisco prefers to explain: "Previous administrations had other priorities. One of them, for example, was digital switchboards. At the present time, however, top management is definitely motivated to do something about the pay phones, now viewed as a substitute for areas without residential phones."

Sisco has occupied his current post for a year and a half. His desk is surrounded by piles of reports, receivers, parts. The phone rings off the hook. He continues: "As I told you, the previous administration's basic concern was the project of installing a million digital lines, priority No 1. All or most resources were funneled into that program, which partly explains why there were no investments in pay phones as such."

Sisco adds that the last equipment purchase for the area was in 1988: a lot of 4,300 card phones. From then on, the company worked on replacing phones. The chief of public telephones also notes that there are three major reasons why pay phones are out of service: collection (30 percent), vandalism (40 percent), and defects and breakdowns (30 percent).

These percentages, Sisco notes, show that vandalism is a major cause of the inefficiency of the service. Furthermore, he points to recent statistics on the national demand for parts (dials, receivers, and coin boxes). This demand is generally "connected" with destruction or theft by users, the people (see table below).

In addition, the collection companies, VENARAB and Pan American Services, are not doing a good job even though the company has to pay 80 bolivars per phone for the collection service. Sisco emphasizes: "For our part, we do have supervision. The companies naturally claim problems with their vehicles and personnel and say the counting machines are obsolete. We have had problems with the companies and done followup. In fact, we have even initiated a bidding process to see whether we can find a company that can perform the service better. That process is already underway."

With respect to defects and breakdowns, Sisco says cables are very old and deteriorated and the switchboards obsolete and overloaded. He says it takes 48 hours for a pay phone to be repaired. "We use the same standards as for residential phones." However, he notes, this also depends on how serious the problem with the phone is.

CANTV has 600 employees responsible for operations and maintenance of the country's 31,586 public telephones, using 300 vehicles to do so. A scant 10,000 of these phones are computer-monitored, but the remaining 21,586 are not. To make this feasible, Sisco notes, costly equipment would have to be purchased, entailing "cumbersome" administrative processes.



**Goals**

Carlos Jose Perez, appointed by the president of CANTV to handle matters relating to the community, "teams up" with Sisco during the interview. Perez states that the company plans an expansion program for this year involving some 120,000 new lines (residential and commercial). Perez says the number will now cover existing demand, the waiting list. He continues: "In order to meet the remaining unsatisfied demand, we are using a public telephone strategy."

Perez says the company plans to install 2,200 pay phones throughout the country by December. A total of 800 have been installed so far (January to July). The commissioner says every public phone costs the company 200,000 bolivars. This amount includes the instrument itself and installation. Perez adds that a residential telephone costs CANTV (note: CANTV, not the user) 100,000 bolivars. Figures in hand, Perez notes that the service in general is very costly.

Perez adds that starting this week, districts in the capital region will receive a daily report on public telephones out of service in its jurisdiction. "That way, we can proceed to repair them very quickly." The commissioner observes that every public telephone has the capacity of four residential phones, meaning that traffic on the former is four times that of the latter.

He adds that another measure being taken is that rather than reporting problems with public telephones to CANTV central headquarters, such reports will go directly to the district in which they are located. This does away with the "middleman" and repairs can be made more quickly. The company will therefore place a

plate in every pay phone center asking users to: "Please report problems with this telephone to...."

CANTV loses some 750 million bolivars a year because half of all pay phones are out of order. In other countries, this service is considered the telecommunications "plum" due to its high level of profitability.

On the eve of privatization of the telephone company and by virtue of the fact that telecommunications in general is a kind of "invisible gold," one should ask whether the privatization option is indeed the right one or whether the government should move to reorganize the company instead—without turning it over to private ownership—and get the most out of the "deal." Perez has his own opinion: "The figure of 750 million bolivars is not high. With 750 million bolivars, for example, we cannot even solve the problem of public telephones over the next three years."

He adds: "It will take major investments to reach the goals proposed. In order to be able to install 300,000 lines a year, the companies involved will have to invest \$800 million a year."

The official states that "at the present time, aside from privatization, we have an expansion program involving the 120,000 new subscribers that I mentioned, plus 50,000 new lines in order to relieve congestion on the switchboards."

Perez comments that another program deals with defects and breakdowns (preventive maintenance and repairs) and service to subscribers: "These programs are moving ahead. The rate of breakdowns has dropped, but is not noticed because it is a very serious problem. It is like when a person has a fever of 104 and it drops to 102. He still has a fever, but it is dropping. We are trying to make sure that subscribers have fewer problems."

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**Demand for Spare Parts for Public Telephones**


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Receivers 51%; Dials 17%; Coin boxes 16%; Connection 16%

Month	Coin boxes	Receivers	Dials
January	701	3,310	873
February	885	2,096	693
March	989	1,971	600
April	1,126	2,542	736
May	344	1,769	702
June	0	1,253	539
Total	4,045	12,941	4,142

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## REGIONAL AFFAIRS

### Azerbaijan Reportedly To Receive Iranian TV

TA1211203591 *Istanbul MILLIYET in Turkish*  
11 Nov 91 p 14

[Text] Moscow (AA)—Iranian Television will set up a satellite antenna in Baku, the capital of Azerbaijan, to enable Azerbaijanis to view Iranian Television.

The Azerbaijani news agency, ASSA-IRADE, reported that Tabriz Television officials will set up the antenna for free.

During his visit to Baku in March, President Ozal presented the Azerbaijani people with a giant dish antenna so they could watch TRT [Turkish Radio and Television] television broadcasts. However, these broadcasts cannot yet be viewed in Azerbaijan.

## ALGERIA

### New Local Radio Station Inaugurated

LD0511151291 *Algiers Radio Algiers Network in Arabic*  
1200 GMT 5 Nov 91

[Excerpts] There is a new member of the local radio family. Today in Laghouat Province a local radio station was inaugurated in the capital of the province. [passage omitted]

In order to get some information about this new radio station, our colleague Karima Isani contacted Mr. Boutheldja, the director of Laghouat Radio. To start with, they talked about the days of transmission:

[Begin recording] [Boutheldja] Radio Laghouat commenced its transmission today at 1100 because it was the official opening and because of protocol reasons. As for the regular times, they are from 1000 until 1300 for local transmission on Tuesdays, Wednesdays, and Thursdays.

[Isani] What about the wavelength. On what wavelength will Laghouat Radio broadcast?

[Boutheldja] On medium and short wave.

[Isani] What is the programming planned for this station?

[Boutheldja] It is programming that will include coverage of cultural and artistic events and that will encourage the talents of the province. [end recording]

## INDIA

### Satellite TV Service Commissioned in West Bengal

BK0511134691 *Delhi All India Radio Network*  
in English 1230 GMT 5 Nov 91

[Text] In West Bengal, regional television service transmitted through satellite has been commissioned from today. The four high-power and 10 low-power transmitters in the state have been linked to Calcutta Doordarshan kendra [television center] through Insat 1-D satellite. With this, the Channel-1 program of Calcutta Doordarshan can be seen all over the state from today.

Inaugurating the service, the information and broadcasting minister, Mr. Ajit Kumar Panja, said that 95 percent of the state will be covered by the new facilities. The West Bengal chief minister, Mr. Jyoti Basu, presided over the function.

West Bengal is the sixth state in the country having satellite-based regional TV service.

## IRAN

### Telecommunications University To Open

NC1211165191 *Tehran KEYHAN in Persian* 3 Nov 91  
p 14

[Article by KEYHAN correspondent in East Gilan]

[Text] The preliminaries for establishing an independent telecommunications university in Iran are under way. While announcing this information, Post, Telegraph and Telephones Minister Engineer Gharazi told our correspondent: The preliminary studies on constructing the university are in the planning stages and next year the telecommunications university will be inaugurated with the enrollment of students.

He added: One trillion rials will be invested in the country's telecommunications system and 500 new telephone numbers will be allotted to applicants who have been given receipts.

He said: The Islamic Republic of Iran has envisaged the launching of its own special satellite to provide its own mobile networks in the major cities. This will bring the level of the country's telecommunications system to that of developed countries.

He stressed: Among the other measures to be implemented under the telecommunications expansion program are: the use of some smaller satellites called "SAT"; the use of 20,000 km of fiber optics in order to set up a long-distance network, without the use of the mobile telephones in the main cities; and the setting up of a paging systems network.

**TV Relay Transmitters Commissioned in Azerbaijan**

*LD0411182491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 4 Nov 91*

[Text] Staff of the television transmitter unit of the Orumiyeh center of the Voice and Vision of the Islamic Republic of Iran have completed work on the installation of television relay transmitters for the second network, with a capacity of 10 watts, in the border region of Poldasht in northwest Azerbaijan Province. Residents of the region can now receive second network television programs on channel seven.

**ISRAEL****Overseas Shortwave Broadcasts Resumed**

*TA0411152291 Jerusalem Qol Yisra'el in Hebrew 1300 GMT 4 Nov 91*

[Text] Qol Yisra'el will immediately resume overseas shortwave broadcasts. This was decided today in a talk between the communications and education ministers, the radio director, and representatives of the Foreign Ministry, the Jewish Agency, and the Bezeq Company [telecommunications firm]. Our correspondent Shlomi Stein reports the participants in the meeting also decided to increase the power of the transmitters and to set up a committee chaired by the prime minister's representative which will decide on financing these broadcasts.

**KUWAIT****KUNA 'Officially' Resumes Transmissions From Kuwait**

*LD1211121791 Kuwait KUNA in Arabic 1130 GMT 12 Nov 91*

[Excerpts] Kuwait, 12 Nov (KUNA)—The Kuwaiti News Agency, KUNA, will officially resume its news transmissions from its official headquarters in Kuwait today (12 November) after an interruption that lasted around 14 months. [passage omitted]

While KUNA was founded on 15 March 1978, when it began its local transmission in Arabic, 12 November 1991 is the day of its rebirth; when the Kuwaiti youth made it possible to resume providing the voice of KUNA to the world within eight months of the liberation of Kuwait.

We send greetings and best wishes to all our subscribers at home and abroad.

**SYRIA****New Radio Program Aimed at Golan Heights Launched**

*NC0811192391 Tehran JAHAN-E ESLAM in Persian 29 Oct 91 p 11*

[Excerpt] According to IRNA, when the Madrid conference opens Damascus government radio is going to initiate an independent radio program for the residents of the Golan Heights under the name "Voice of Golan," starting 30 October.

According to IRNA, AL-TISHRIN, printed in Damascus, reported that this program is being prepared specially for the residents of the Golan Heights and is to be presented in Arabic from Damascus every afternoon. [passage omitted]

### **Paper Gains Access to Far East Using New Facilities**

*PM061111191 Moscow ROSSIYSKAYA GAZETA  
(First edition) in Russian 5 Nov 91 p 7*

[Article by Nikolay Belyy: "Breakthrough to Amur"]

[Text] From the beginning of November readers and fans of ROSSIYSKAYA GAZETA will no longer be contacting the newspaper's Amur correspondents' center about the abominable delivery of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet's publication to subscribers and for retail sale. People's complaints were absolutely justified. During the past year deliveries to the Amur region from Mother Moscow of the newspaper which gained popularity here from its first issue have been constantly held up in transit—intentionally, too, it would seem. But as of 1 November people in the Amur region can read ROSSIYSKAYA GAZETA on the day of publication. It is being transmitted here using space communications channels and is being duplicated using a modern printing complex which, incidentally, was until recently the property of the CPSU Central Committee. ROSSIYSKAYA GAZETA could have reached local readers promptly far earlier, but for some reason the party took an open dislike to the newspaper and rejected editorial office requests for it to

be printed in the Amur region. The State Committee for the State of Emergency also helped, thank you very much.

The newspaper is being printed for people in the Amur region and possibly in the future will begin to be delivered from here to readers in the western region of the Far East.

### **Stepanakert Television Resumes Broadcasts**

*NC1111160791 Yerevan ARMENPRES International  
Service in Armenian 1215 GMT 11 Nov 91*

[Text] Yerevan, 11 Nov (ARMENPRES)—The State Television Committee of Nagorno-Karabakh republic has announced that Stepanakert television will resume its work on 11 November. The experimental transmissions have already resumed.

### **Ukrainian TV Station Opens in Vilnius**

*LD0611170691 Kiev Radio Kiev in English 0100 GMT  
6 Nov 91*

[Text] A Ukrainian station [as heard] of Lithuanian television has begun functioning in the republic's capital Vilnius. A radio station and newspaper HOME IN LITVY, designated for Ukrainians, have been opened earlier in this Baltic republic.

## REGIONAL AFFAIRS

**EC Companies Consider Network Link-Up**

92WS005XX Chichester *INTERNATIONAL TELECOMMUNICATIONS INTELLIGENCE*  
in English 30 Sep 91 p 3

[Unattributed article: "European Computer Companies To Study Network Link-Up"]

[Text] Later this year, three of the largest European computer companies plan to present a joint proposal to the European Community Commission to establish a "European nervous system" linking computer systems throughout the region.

The companies—Germany's Siemens-Nixdorf Informationssysteme AG, France's Groupe Bull and Italy's Ing. C. Olivetti & Company—recently signed a preliminary agreement to work together on the project, adding that they expect to come to a more formal arrangement over the next few months.

Funding for the project is uncertain, with the EC Commission approving the idea, but as yet, not committing any funds for implementing such a system. Reports suggest that several EC members, including the UK, have opposed financing, arguing that investments should come from national governments, or from the companies themselves.

Other companies reported to be planning to submit proposals include UK-based ICL Ltd, which is owned by Japan's Fujitsu, and International Business Machines Corporation of the United States.

## FINLAND

**Nokia Reports Large Drop in Revenue**

92WT0022A Helsinki *HELSINGIN SANOMAT*  
in Finnish 19 Oct 91 p B9

[Unattributed article: "Nokia Suffers Losses in Televisions and Electronics: Conglomerate's Income Drops by Half-Billion Markkas in January-August"]

[Text] The Nokia conglomerate's income for January-August was a half-billion markkas less than for the corresponding period last year. Income prior to incidental payments was down 301 million markkas.

Nokia has lowered its profit forecast for the entire year. As recently as June, the company expected its profit from sales, among other things, to rise above that of last year.

In a semiyearly review published on Friday, Nokia estimated that its profit would remain at the same level as that of last year. The profit last year was 275 million markkas.

Nokia said that the Finnish recession has eaten into its profits more than expected. Thirty percent of the company's sales are domestic.

The company is now formulating next year's budget on the assumption that the economic situation in Finland will still be "very tight" in 1992.

Nokia apparently suffered its biggest losses in television-set production. Telenokia, machinery, and cable also had trouble this year.

**Retail Electronic Equipment Sales Down**

Nokia's sales of retail electronic equipment from January to August were 15 percent less than during the same period last year. The drop was due primarily to a weak demand for televisions in Germany, according to the company.

Retail electronic equipment, mostly televisions, is Nokia's biggest branch. The loss was greater than for January-August of last year. Nokia does not announce income figures for individual branches.

Income for the company's second-largest branch—the cable and machinery industry—clearly dropped, but the branch still turned a profit. Sales fell 16 percent as a result of a recession in Finland's construction industry. The only branch whose sales grew was cellular phones. Growth was due almost entirely to the takeover of British Technophone in March. Up until now, the cellular phone branch has grown steadily from one quarter to another without takeovers.

The cellular phone branch's income has also dropped, but the branch remains "clearly profitable," according to the company.

The stoppage of exports to the Soviet Union especially hurts Telenokia, which was Nokia's milch cow in earlier years. Sales dropped 30 percent, and a loss was shown.

Sales of the computer branch sold to ICL, which is owned by Fujitsu, fell 6 percent. Nokia Data still suffered losses, but income is said to have increased over last year. Data's sales profit is debited against income for the entire year.

**Sales Decreased Faster Than Costs**

Compared to January-August of last year, Nokia sales dropped 31 percent but costs only 28 percent. Nokia employed 28,000 persons at the end of August.

Nokia had sales of 9.6 billion markkas in January-August. When the effect of buying and selling businesses is purged from the figures, sales in comparable numbers dropped 17 percent.

Income before taxes and minority shares was down 205 million markkas. For the corresponding period last year, it was up 425 million markkas.

### **Agency Monopoly on Long-Distance Service To End**

*92WT0022B Helsinki HELSINGIN SANOMAT  
in Finnish 2 Oct 91 p B10*

[Unattributed article: "Private Companies Give Long-Distance Service a Shot"]

[Text] Private telephone companies will try to compete with the state Post Office and Telecommunications Agency (PTL) in providing domestic long-distance phone service. Founded by private individuals, Kaukoverkko, Inc. submitted its application for an operating license to the State Council on Tuesday.

"I believe this is the wave of the future," said Minister of Communications Ole Norrback (Swedish People's Party).

Norrback said that, when the license application is judged, consideration should be given to the problems it will cause for the PTL.

Up until now, long-distance telephone service has been the PTL's monopoly. On Tuesday the PTL issued a statement in which reservations were expressed about the private individuals' application.

According to the PTL, increasing the competition for long-distance phone service is a "significant social and economic question. It will take time and thought to gauge the impact."

The PTL charges more for long-distance calls than the calls cost, but it must deposit part of the profit in the state treasury. The PTL must also administer unprofitable networks in sparsely settled areas.

According to Norrback, the problems engendered by increased competition will affect when Kaukoverkko, Inc. receives possible permission.

Kurt Nordman, chairman of the Alliance of Telephone Companies, said on Tuesday that, at best, permission would be granted by the end of the year. Nordman's wish will not come true, say the experts.

Norrback also points out that telephone service is basic. This means that Kaukoverkko's license should contain the provision that the company serve both densely and sparsely populated areas. According to Kaukoverkko, Inc. directors, the company's goal is to markedly reduce the price of long-distance calls.

Because the phone lines are already in place, the new company's long-distance network can be operated rather profitably. The company would use Datatime lines for data transfer by computer.

Kaukoverkko, Inc. owns Datatime and the private phone companies.

"Reducing the price of long-distance calls would be appreciated most in northern Finland, where a lot of

long-distance calls are made. The cost of a long-distance call to Helsinki would drop to about 50 pennia. Now it costs 92 pennia, 85 of which go to the PTL," said Sakari Nevalainen, managing director of Oulu Telephone, Inc.

Kaukoverkko is prepared to build lines throughout the country in a few years. The investment would cost about 300 million markkas. Most of the lines would run through the company's central exchanges, but the farthest corners of the country would be served by wireless phones.

### **Baltic Countries Get Own Long-Distance Prefix**

*92WT0022C Helsinki HELSINGIN SANOMAT  
in Finnish 15 Oct 91 p 5*

[Unattributed article: "Calls to Baltic Countries Now Placed With Number 09"]

[Text] Today, Tuesday, the Telecommunications Agency introduces a special exchange for direct calls to Latvia, Estonia, and Lithuania. From now on, calls to the Baltic countries are placed with the number 09. The cost is that of a regular local call, and calls are still transmitted through the international service center in Helsinki.

### **Nokia To Make Mobile Phones for Spain**

*92WT0022D Helsinki HELSINGIN SANOMAT  
in Finnish 6 Oct 91 p B5*

[Unattributed article: "Nokia Gets 50-Million-Markka Contract for Cellular Phones From Spain"]

[Text] Nokia Mobile Phones has received an order from Spain for cellular phones worth 50 million markkas. The phones to be shipped to Spain are Nokia Cityman hand phones and Nokia Talkman car phones. They are made at Nokia Mobile Phone factories in Finland and Germany.

Spain is the newest country to which Nokia exports cellular phones. Two cellular phone networks, NMT and E-Tacs, are in operation in Spain, and, at this moment, there are a good 70,000 subscribers to cellular phones. One hundred thousand new cellular phones, most of which are hand phones, are expected to be sold in the country next year.

### **New Long-Distance Firm Breaks Agency Monopoly**

*92WT0025A Helsinki SUOMEN KUVALEHTI  
in Finnish 4 Oct 91 pp 6-9*

[Article by Jukka Ukkola: "Switch to Full Competition in Telephone Communications: Caller May Soon Dial 9"—first paragraph is SUOMEN KUVALEHTI introduction]

[Text] When private telephone companies announced this week that they were founding the Long-Distance Network Company and applying for an operating license



for it to relay long-distance calls, a big step forward was made in the field of telecommunications competition, which was even hotter than average in Finland before. Long-Distance Network is aiming for full competition with the state company, Tele, which has up to now held a monopoly.

Before now, a duopoly has been rare in Finland. In principle, this situation might be compared with one in which a private railroad company that laid its own track were to be created alongside the State Railways or if they were to begin to sell liquor in food stores and Alko [state liquor monopoly] to sell food—at competitive prices.

Therefore, we may expect to see a textbook case of what free competition can achieve. Up to now, both parties have occupied a near-monopoly position in their own fields, Tele in long-distance calls and the telephone companies in local calls, with the exception of northernmost Finland, a few sparsely settled areas in which Tele handles local calls as well.

Long-Distance Network believes it will capture half the market within a few years and promises that the competition will lower the cost of long-distance calls within two or three years by at least a fourth of their present cost, by a total of 500 million markkas.

Long-Distance Network will achieve this by at first offering its services for less than Tele does, at which point Tele will lower its rates, too.

Price competition will continue until they get close to cost equivalence. After that, they will compete through services, as they will through the latest inventions in telephone communications. As soon as within a couple of years, for example, there will be a Pan-European mobile-phone network, the GSM [global system for mobile communications], which will be followed by a personal everywhere number, PCN (Personal Communication Number). Taskufax [Pocket Fax] is promised by the year 2000.

### Buyer's Choice

If Long-Distance Network gets its operating license and begins to relay long-distance calls, the telephone user can choose the cheapest channel for each call by dialing either Tele or Long-Distance Network from the choice of path numbers. When using Long-Distance Network, he will dial one additional number—for Oulu, for example, 9819. The user has to know only which of the two is cheaper. In the United States, one can obtain a computer program that contains the rates of the different service providers at every time of day and select the cheapest of them.

It is estimated that it will take from three months to two years to obtain an operating license. Although promotion of competition is written into the government program, an animated political debate will probably be engaged in before a decision is reached because this time the decision will affect private individuals, voters. Local policy is

also involved in the matter, such as whether residents of sparsely settled areas can be left with only one, and, up to now, the most expensive long-distance telephone alternative.

The fact that Tele at present charges considerably more for long-distance calls than needed to cover its costs, even though rates have been lowered for several years and will be further lowered by 20 percent next year, will make room for tough price competition. It is felt that Tele also overcharges in connection with the monopolies it has up to now held on mobile-phone and foreign calls. Rates for local network operations are at nearly the same level as those charged by local telephone companies, but its local networks produce losses of about 300 million markkas per year for Tele. Therefore, long-distance callers, in practice, subsidize local calls made from sparsely settled areas.

Tele also admits that it overcharges. There are two reasons for this: Tele has to annually debit about 300 million markkas to the government, and it is overstaffed. It estimates that this accounts for another 300 million.

As for the private telephone companies, they are in an entirely different situation. They are, in principle, cooperatives and do not amass profits. Most of what is produced by business activities is used for rate reductions.

### Two Channels Side by Side

Another thing that makes competition attractive to Long-Distance Network is the fact that Tele's long-distance network is at the present time thought to be so congested that there is not much room left in it for the additional traffic produced by lowering rates. This is why Long-Distance Network feels that it will pay to maintain another network alongside it, despite the fact that Tele is accusing it of squandering national economy resources.

Actually, the fact that the 50 local telephone companies that belong to Long-Distance Network already form a continuous chain from the south coast to Oulu will reduce the number of investments needed for the new network. Business customers' data and faxed material are sent through their Datatie [Data Path] Company fiber-optic cable network, and mainly only more processors, memory capacity, and programs for the telephone centrals are required to increase long-distance telephone communications.

Pekka Perttula, business activities development director of the Telephone Companies Association, considers the investments required by Long-Distance Network to be marginal. "The total investment over a period of several years will be smaller than one year of Tele overpricing in long-distance communications."

The Datatie Company sets a precedent for what is also expected in the long-distance-call market. Founded by

the telephone companies and their customers, the company has been relaying business firms' data communications for about six years now. Once competition began, rates dropped by over 40 percent in one year.

Launched by private companies, the Diana long-distance telefax service, whose rates were set at 25 percent less than its Tele counterpart's, also serves as a model.

A competition front has also now been created for radiophone calls since the private-sector company Radiolinja [Radio Line] has obtained the right to operate in the Pan-European GSM mobile-phone network.

Tele has responded to the competition by, among other things, founding Business Networks Company along with its own customers, which offers its customers direct connections with long-distance communications, bypassing the local network.

The importance of these cases is financially much less than the now-planned Long-Distance Network. At the present time, Tele gets 2.3 billion markkas, almost half of its 5-billion-markka sales volume, from long-distance calls. So the data network is aiming for a billion-markka jackpot, even if rates do drop.

#### Tele Must Rid Itself of Tentacles

If they move into evenly distributed markets, full competition will at least, in principle, prevail in this field.

To protect its ability to compete, Tele will undoubtedly have to reduce its bureaucracy, turn itself into a joint-stock company, separate itself from the Postal Service, rid itself of its debiting responsibilities, and join the Stock Exchange, like Televerket [Telecommunications Administration] in Sweden. Tele now continues to report that it is reducing personnel through natural depletion.

It is estimated that, if Tele gets rid of its encumbrances, it will be able to lower its rates to half of what they are now throughout the entire country—and to even a third in some parts of it.

Up to now, Tele has viewed the generation of competition as a fact and prepared itself for it by lowering rates and reducing personnel, among other things.

"In the course of this decade, 80 percent of the business will be opened to competition," Mikko Pirinen, Tele regional operations director, estimated. This means a competition situation with long-distance calls, foreign operations, radiophone communications, and data transmission.

Only the market for local household calls will probably remain roughly the same as now because it would be too costly to build competing local networks. However, Tele has its own fiber-optic network in Helsinki, which was built for the Council of State data network, among other

things. It plans to also bring in big business firm customers, aside from the HPY [Helsinki Telephone Company], but not households. There are the same kinds of local networks in some other cities, as well.

Tele's share of the income from local calls is about 1 billion markkas and the local companies' about 1.3 billion, but nearly three-fourths of the calls go through the local companies. About 3 billion local calls were made in Finland in 1990 and 576 million long-distance calls. Both types yielded about the same totals.

#### Competition Abroad

After its contest with Long-Distance Network, the next one is already in sight in its foreign operations. Tele has participated in developing telephone communications in the Karelia and St. Petersburg area since the days when it was developing Kostamus and Paajarvi. It is at present building a mobile-phone network for the Baltic countries and is planning fiber-optic links to as far away as Warsaw.

The opening of the private sector to foreign countries was HPY's recent application for a license to operate in Tallinn.

Because the needs for developing telephone communications are especially enormous in Russia and Finnish know-how in this field rates tops in Europe, exports of telecommunications may grow to be very large. At best, profits from exports may be allocated to lower rates for domestic calls than what they were before.

## FRANCE

#### La Cinq Budget Deficit Greater Than Forecast

*LD0811201191 Paris France-Inter Radio Network  
in French 1300 GMT 8 Nov 91*

[Text] The La Cinq television station's deficit for the first half of 1991 was 495 million francs, according to information from trade unions. The journalists' branch of the Force Ouvriere union brings this figure closer to the deficit foreseen for the station for the entire year, which is 520 million francs. At the meeting of the board of directors last week, Yves Sabouret, the station's chairman and managing director, stated that for La Cinq, as for all television stations, the present situation in the television advertising market and the prospects for the first half of 1992 require extremely strict management. He therefore concluded that the forecasts and conclusions for the 1992 budget should necessarily take this into account.



## GERMANY

**Bosch Group Increases Mobile Communications Revenues**

91MI0493X Bonn DIE WELT in German 30 Aug 91  
p 12

[Text] Despite some signs of weakness on important foreign markets since the early autumn of last year, in the first half of 1991 Bosch's Mobile Communications division saw its revenues grow by nearly 15 percent to more than 2.8 billion German marks [DM]. This means that this division, which for the past three years has included Blaupunktwerke GmbH and the Bosch works in Berlin and Wolfenbuettel, contributes around 25 percent to Bosch's total revenues.

These figures were given by the head of division, Heiner Gutberlet, who is also a manager of Robert Bosch GmbH in Stuttgart. According to Gutberlet, the most important spurs to growth in the first half of the year came from the domestic market. There were high growth rates in camcorders, broad band communications, radio engineering, and car radios.

The sharp rise in the number of subscribers to the German Federal Post Office's C-net cellular radio system brought a 26-percent growth in revenues to radio engineering. Bosch is now one of Germany's leading suppliers of mobile telephones with 20 percent of the market. But Bosch is also involved in the D-net digital radiotelephone system, albeit more as a supplier of services. Bosch Telecom Service GmbH sells primarily terminal equipment, including support and service. Above all, radio engineering has taken off through supplying the communications technology for the German Federal Railway's ICE [Intercity Experimental] services.

Although the Bosch subsidiary Blaupunkt (half-yearly turnover DM91,974; exports: 46 percent) also has a presence on the consumer electronics market, sales and marketing manager Detlev Gruhl says that car radios (sales target for 1991: 4 million sets) still top the bill. But the novelties on show at the International Radio Exhibition (IFA) now have little in common with the good old car radio. High tech is the order of the day. Apart from the RDS [relational data system] and TMC traffic information systems, the new ADA (Auto Directional Antenna) receiver system is being presented, which uses four separate antennas to achieve hitherto unattained quality of reception. According to Blaupunkt, this should make disturbances in urban traffic or mountains a thing of the past.

The London RDM 42 promises the motorist not only the best reception automatically but also the sound quality of a CD [compact disc] player - for the first time with integrated output stages for a total of DM1,300. Blaupunkt is paying particular attention to the CD market, which is expected to show growth margins of around 13 percent by 1995. In the realm of video and television, Blaupunkt is also entering the hotly contested broad

format market and already, like its competitors, offers the intermediate model towards HDTV [high definition television], the D2-MAC decoder.

Technology alone has long since ceased to be enough to capture a market: sophisticated, even eccentric design is just as important. With its TV-Unda Blaupunkt has come up with a set which will certainly be an acquired taste: it looks more like a lump of rock than a television.

In camcorders too, which are the growth market, Blaupunkt has forced standards up. The new CCR-880H, the first compact camcorder in Hi-8 standard, opens up new possibilities to the creative videofilmer. Weighing just 1,000 grams, this lightweight gives sharper pictures than conventional television sets.

## NETHERLANDS

**Philips Presents 10-Year Strategic Business Plan**

92WS0082X Chichester INTERNATIONAL  
TELECOMMUNICATIONS INTELLIGENCE  
in English 7 Oct 91 pp 4-5

[Unattributed article: "Philips Says Intelligence To Move Out of the Central Office Switch"]

[Text] Network intelligence and easy, mobile, access to new forms of wideband networks are the keys to success in telecommunications markets over the next decade according to Wim Huisman, Chairman of Philips Communications Systems [PCS] Division. He explains that liberalisation and deregulation have stimulated competition among public telecommunications operators (PTOs) as well as cooperation. And that means that the ex-PTTs [Post, Telegraph, and Telecommunications administrations] will need to offer more and better value-added services to compete for revenues.

That scenario places emphasis on wireless and cordless infrastructure and user terminals, broadband optical fibre synchronous digital hierarchy (SDH) transmission systems, advanced customer premises equipment and "intelligence" platforms. Significantly absent from the list are what Heinz Thielmann, Managing Director of Philips Cable Transmission and Network Access product division calls "the big switches".

Indeed, Philips' strategic business plan for the next 10 years of telecommunications marketing hinges around their absence. Whether this is as a result of careful product planning and detailed, objective, market research or force of circumstance following the collapse of Philips' partnership with AT&T is not a matter for open discussion.

Huisman and his team of six product division managing directors are convinced that they face the next decade with a range of products and a plan that will push the company nearer the top of the international league. Overall, the PCS is a net contributor to Philips' staggering profits turn around in 1991. Huisman says the

division hit profits towards the end of 1990 and is increasing its earning steadily. He claims sales of around £3 billion enough to rank his operation eighth among the world's telecommunications companies, he said. A feature is a high expenditure on Research and Development "more than 10 per cent—but less than 20 per cent" of sales, and built into that equation is the fact that 70 per cent of PCS sales derived from that are less than three years old.

Francois Lerailliez, Huisman's Vice Chairman takes up the story: "Something new is happening in telecommunications which is bringing new players into the market," he told ITI [Intervention Technique Informatique]. "Large central switches are becoming less important. As a result, networks are becoming less structured around central switching nodes, and are being replaced more dependent on a combination of intelligence and transmission." He says that this observation holds for both public and private networks. "The differentiation between systems and equipment used by private networks and public networks is getting less and less," he asserts.

"The force behind this is the appearance of new services. There are three dimensions. Data, Mobility and Wide-band demand which together will stretch the abilities of service providers during the next decade," Lerailliez said. But PTOs and private network operators alike find it difficult to keep abreast of developments in these areas.

"If you look at the way in which network operators have responded to this pressure it is by adopting ad hoc solutions and they have sought out new suppliers," Lerailliez avers. In particular, he believes the operators need suppliers and equipment that can be adapted quickly enough to keep abreast of the demands of their users. And that alone is enough to keep the big switches out in the cold. "They take too long to change," Lerailliez claims. "Typically, it may take three or four years to rewrite, test and debug the huge software programmes they need."

His answer is the separation of the functions of signalling and control from the traffic transport within a network. That way, intelligence can be added by means of smaller and more flexible "platforms" which combine switching capabilities with data base and processing. "In the future, the different service dimensions are to be added from the outside by means of dedicated servers."

He sets out to prove his philosophy by demonstrating how this market has developed in the last decade. While, overall, it has continued to grow, his graph shows that sales of switching systems have flattened dramatically in the last few years as the more advanced nations have completed their digitalisation plans. The products that Philips has opted to emphasise however, show a steady upward curve on his charts. "Growth is coming from that type of business on which we are focusing—Philips has a growth of nine per cent in these fields," he claims, adding, "in the new telecommunications environment,

the traditional market leaders may not remain so—the profile of the next generation of market leaders will be those focusing on the supply of equipment for value-added services such as radio, data OPE. There will also be a high volume terminal dimension close to consumer electronics where lifestyle imaging will be important."

Heinz Thielmann takes up the theme: "What we mean is that the plain ordinary telephone function will remain in the switches but network intelligence will move out of the switches into dedicated solutions. Therefore we see the growth of investments in the future mainly in the area of new services, service switching, network management plus trunk transmission," Philips' public telecommunications operations are focussing around subscribers' access area, he told ITI. "This covers all kinds of data communications, data access networks, rural telephony, fibre-to-the-home, cable TV, including broadband HDTV [high-definition television] transmission, and ISDN [Integrated Services Digital Network].

"In the trunk transmission we are moving from the plesiochronous systems to synchronous systems (SDH), including cross connect systems and management functions and using both optical fibre and microwave transmission systems. And in the area of network management and switching systems we are focusing around those things that allow the network operators to run their system in the most efficient way.

"In the access area we will have more and more combination of voice, data, text and image. This needs new interfacing here. This means broadband or bandwidth on demand for the subscriber which calls for intelligent remote access nodes before the switching systems. In the trunk network, besides the switches we are seeing more and more cross connect systems and SDH systems which utilise bandwidth on demand for leased line networks or flexible configuration of networks just by passing the big switches."

Thielmann claims that Philips is currently market leader for Synchronous Digital Hierarchy (SDH) systems. "We have contracts in six countries, field trials running in several more," he states, and boasts, "from all our contacts with public telecommunications operators, we know we are the most advanced in this technology. Our objective is to keep this time window and to build an international position in this area."

Another area where Thielmann claims a lead for Philips is in intelligent networks connected to the big switches. "This product is a service switch which has all the functions of a normal 64Kbit or ISDN switch, but has a database system which makes it possible for operators to create new services. They allow management functions—but the key point is that they are outside the big switches."

The big problem the PTOs have with big switches is if they ask for new features. They have to wait three or four years until all the big software packages are changed in the big switches. "The Philips solution provides another

way—where PTOs can add features to their networks in half a year or one year with less complexity in software,” claims Thielmann.

Apart from telecommunications, Philips as a group is perhaps better known for consumer electronic products—a sector in which it reckons to be the third largest in the world. A measure of the new order at Philips is the application of its consumer marketing and production experience to what is rapidly becoming the big boom market in Europe—mobile communications, or in Philips terminology, Mobile Automatic Telephone Services (MATS). Here Heinz Plannschmidt, Managing Director for the Public Radio Communications division is more concerned with his channels to market than the technology. “What is important for us is that the means of distribution will change rapidly in the next four to five years. At the moment 80 per cent of all cellular telephones are sold through specialised dealers,” he said. By 1994 that proportion will be down to 40 per cent with car makers selling 20 per cent. “But the biggest proportion will go through retail outlets,” he believes—and Philips is very well placed to use its retail outlets and expertise.

The main reason is the anticipated miniaturisation of portable telephones. Plannschmidt asserts that by the year 2000 more than 80 per cent of mobile phones sold in Europe will have a physical volume of less than 150 cubic centimetres. They are also likely to be moved to market in very high numbers—he estimates that for Europe as a whole to achieve the same level of penetration as Norway, more than 25 million portable phones will need to be sold. Both factors mean that they will be regarded as consumer electronic commodity products to be handled by retail stores.

The background to that is that personal telephones—with less than 150cc volume will be around by end of the decade and will account for over 80 per cent of sales—and they will need different distribution channels—as a consumer electronics item sold through retail outlets.

Group claims 11 orders for GSM [group special mobile] digital cellular networks on its books: In Finland, two in Germany, Sweden, Belgium, Switzerland, Austria, Italy, Portugal, France and Cameroon.

Private mobile radio systems are the province of Dieter Siegelberg head of Cambridge, UK-based Radio Communications Division providing trunked radio and radio paging systems. But here too, the world is turning digital, and Siegelberg says that his microelectronics design centre at Cambridge is preparing to design circuits for the new European Digital Short Range Radio standard “as soon as the standard is fixed”. In the meantime, he is happy to chalk up successes with trunked systems—the division has just installed a £37 million system in Indonesia, Siegelberg says.

Also contemplating wireless technology is David Kynaston, Managing Director of the Business Communications Division. In May (see ITI Issue 294), Kynaston's group launched its first pan-European digital PABX

system, the Sopho-S. Now the question in his mind is whether its customers need cordless attachments. Kynaston told ITI that in office telecommunications Philips is heavily committed to the European DECT [Digital European Cordless Telecommunications] standard. However he concedes that this is a technology best suited to corporate “inter-office” communications—where users of cordless PBX [private branch exchange] extensions have a multistorey office block or wide area site to roam in. The Sopho-S is designed for organisations needing less than 50 lines and they are more likely to be concerned with “intra-office” links. Accordingly, Kynaston feels that CT-2 technology may be adequate.

To find out, he plans to demonstrate a CT-2 equipped Sopho-S system to potential buyers over the next week or two. He stresses that the demonstration will be no more than that. “We plan to present the concept of a small cordless keysystem,” he told ITI. Maybe we'll market it as an option if there is a demand.”

He added though that should the CT-2-based system come to market, he has no intention of manufacturing CT-2 sets at Philips. “I'll buy them in,” he said. A enigmatic smile is the response to a query as to whether he intends to continue making CT-2 phones under contract to Shaye Communications.

## NORWAY

### Alcatel Wins Swedish Defense Contract

92EN0045Z Oslo *AFTENPOSTEN* in Norwegian  
25 Oct 91 p 32

[Article by Rolf L. Larsen: “Swedish Defense System Buying Norwegian Equipment”]

[Text] Alcatel Telecom's defense communications division will deliver advanced communications equipment developed in Norway to the Swedish Navy. The contract has a value of around 32 million kroner with options worth an additional 30 million. The contract will secure jobs.

“We regard the contract as an important breakthrough for the company in the Swedish market,” said information chief Jon B. Riisnaes of Alcatel Telecom, a company in the Alcatel STK group.

The Norwegian-developed equipment will be the basic element in the Naval Telenetwork (MTN), which will consist of several regional command fire-control networks. The main component in the contract will be Alcatel Telecom's newly developed switching module, the Nodal Switching Unit (NSU). This is a further development of the nodal point concept originally developed in cooperation with the Defense Research Institute (FFI). The NSU units are part of the ISDN or “all-in-one” network's telephone exchanges which have a high capacity and a very flexible construction.

The NSU development began in the early 1970's. The project received research and development funds from the Industrial Fund, the Defense Telecommunications and Data Service and Alcatel Telecom.

## SWEDEN

### Government Approves Additional Commercial TV Channel

*LD0811095591 Stockholm Sveriges Radio Network in Swedish 1130 GMT 7 Nov 91*

[Text] TV4 will get permission to transmit the third ground-based television channel. This was decided by the government today. The constitution will be valid for six years and the new channel, to be financed by advertising, will start broadcasting on the last day of February next year at the latest. The agreement between the state and TV4 shows that (?Jan Stenbaeck) from TV3 now owns 30 percent of TV4. According to the plans, TV3 will continue as a cable TV channel when TV4 becomes ground transmitted.

## TURKEY

### Transportation Minister Returns From Meeting in Indonesia

*TA0911123991 Ankara Turkiye Radyolari Network in Turkish 1100 GMT 9 Nov 91*

[Text] Transportation Minister Selahattin Yalimpala, who attended the second Islamic countries communications ministers meeting in Indonesia, returned to Turkey today.

In a statement at Istanbul's Ataturk Airport, Yalimpala said that during the meeting, which was attended by approximately 30 Islamic countries, the participants decided to conduct post and telecommunication research, study, and training work among the countries. The minister explained that work undertaken following the first Islamic communications ministers meeting, which Turkey had chaired, was also discussed during the meeting in Indonesia. Yalimpala noted that Indonesia was elected current term president. The next meeting will be held in Iran, he added.

### New TV Relay Stations Set Up

*TA0911064491*

[Editorial Report] Ankara Turkiye Radyolari Network in Turkish at 1130 GMT on 3 November reports: "The TV-1 relay stations in Sivas' Kosutdere and Sinop's Dikmen District as well as TV-1 and TV-2 relay stations in Sinop's Kangal, Icel's Kizilbade, Tepekoy, have been commissioned."

At 2100 GMT on 6 November, the same radio reports: "The TV-2 relay stations in Kahramanmaraş' Sevdili region, and Malatya's Ilisuluk, Kocaozu, Ayvali-1, and Ayvali-2 regions have become operational."

At 2100 GMT on 8 November, the same radio reports: "The TV-2 relay stations in Sirnak's Beltusebap and Uludere regions, in Isparta's Egirdir-1 region, and in Tunceli as well as the TV-4 relay station in Kirikkale have become operational."